



Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of March 31, 2025

No portion of this Multifamily Selling and Servicing Guide may be reproduced in any form or by any means without Fannie Mae's prior written permission, except as may be provided herein or unless otherwise permitted by law. Limited permission to reproduce this Multifamily Selling and Servicing Guide in print, in whole or in part, and limited permission to distribute electronically parts of this Multifamily Selling and Servicing Guide, are granted to Fannie Mae-approved Lenders strictly for their own use in originating and selling multifamily Mortgage Loans to, and servicing multifamily Mortgage Loans for, Fannie Mae. Fannie Mae may revoke this limited permission by sending 60 days advance written notice to any or all Fannie Mae-approved Lenders.



TABLE OF CONTENTS

Summary of Changes	3
Part II Chapter 2 Valuation and Income	5
Section 201 Market Analysis	5
Section 202 Appraisal and Valuation	5
202.01 Lender Appraisal Function	5
202.02 Appraisals	6
202.02 A Appraiser Selection	6
202.02 B Permissible Appraiser Communications	8
202.02 C Appraiser Independence	9
202.02 D Valuation Date	11
202.02 E Appraisals Ordered by Another Lender	12
202.02 F Lender Appraisal Review	12
202.02 G Subsequent Appraisals	16
202.02 H Appraiser Discontinuance or Misconduct	17
202.03 Valuation	17
202.03 A Appraised Value	17
202.03 B Property's Sale History	19
202.03 C Underwriting Value	20
Section 203 Income Analysis	22
203.01 Underwritten Net Cash Flow (Underwritten NCF)	22
203.02 Underwritten DSCR	41
Section 204 Refinance Risk Analysis	42
204.01 Base Assumptions	42
204.02 Alternative Assumptions	45
Section 205 Cash Out Analysis	47
Section 206 Borrower Business Plan	49
Section 207 Rent-Stabilized Properties	50
GLOSSARY	52



Summary of Changes

HIGHLIGHTS

By March 31, 2025, you must submit in DUS DocWay copies of your:

- internal procedures;
- organizational charts; and
- other relevant evidence.

Effective for Mortgage Loans Committed as of March 31, 2025, you must:

- comply with new Appraisal independence requirements; and
- differentiate your
 - Lender Appraisal Functions, and
 - Lender Loan Origination Functions.

Primary Changes

Updated Part II, Chapter 2: Valuation and Income, requiring you to:

- Establish a:
 - Lender Appraisal Function outlining
 - internal roles or job functions related to an Appraisal, and
 - employees or Outside Parties who perform or manage Appraisal job functions; and
 - Lender Loan Origination Function outlining
 - roles or job functions related to originating a Mortgage Loan, and
 - employees or Outside Parties who perform or manage Mortgage Loan origination job functions.
- Ensure your Lender Origination Function is separate if an in-house Appraiser is used.
- Comply with Appraiser independence requirements by:
 - ensuring no Person influences the Appraisal process in any way;
 - implementing internal procedures; and
 - ensuring any Outside Parties involved in your Lender Appraisal Functions do not also participate in your Lender Loan Origination Functions.



Updated the Glossary, adding

- Lender Appraisal Function, and
- Lender Loan Origination Function.

Superseded Publication

This publication supersedes Supplement 24-09: Appraiser Independence Requirements.

Questions

Please contact the Fannie Mae Deal Team with any questions.



Chapter 2 Valuation and Income

Section 201 Market Analysis

Requirements

When structuring the [Mortgage Loan](#), you must:

- evaluate the [Property's](#) market; and
- using objective factors, consider its
 - strengths, and
 - weaknesses.

Section 202 Appraisal and Valuation

202.01 [Lender Appraisal Function](#)

Requirements

[You must not allow your:](#)

- [Lender Loan Origination Functions to be involved or participate in any of your Lender Appraisal Functions, including:](#)
 - [selecting an Appraiser or ordering an Appraisal for a specific Mortgage Loan; or](#)
 - [maintaining lists of Appraisers approved or forbidden to perform Appraisals for you; and](#)
- [Lender Appraisal Functions to be involved in, or combined with, any Lender Loan Origination Functions.](#)

[Your Lender Loan Origination Functions are considered to be "Restricted Parties" who are prohibited from:](#)

- [ordering, managing, or defining the scope of work for an Appraisal assignment;](#)
- [selecting, retaining, recommending, or influencing whether an Appraiser is selected for:](#)
 - [a particular Appraisal assignment; or](#)



- a list of Appraisers approved or forbidden to perform Appraisals for you; and
- communicating with an Appraiser or Appraisal management company without the Lender Appraisal Function included.

202.01 Appraisals

202.02

202.01A Appraiser Selection

202.02A

Requirements

You must:

- maintain a list of Appraisers generally approved to perform Appraisals;
- document the selection and approval of an Appraiser, per your Lender Appraisal Function processes, who is:
 - a Certified General ~~Appraiser~~Appraiser (or licensed or certified per state law, if that state does not use the Certified General ~~Appraiser~~Appraiser designation);
 - listed in good standing on the state roster per Title XI of FIRREA; and
 - actively prepares multifamily appraisals in the Property's market;
- if an in-house Appraiser is used, ensure your Lender Loan Origination Function is separated from and cannot in any way influence (i.e., an ethical wall) the in-house Appraiser to:
 - prevent conflicts of interest; and
 - maintain Appraisal independence;
- require the Appraisal to:
 - be in a narrative format, using only objective factors;
 - be signed by the Appraiser;
 - be certified by the Appraiser to conform with current USPAP requirements; and
 - comply with:



- Instructions for Appraisers (Form 4827); and
- any governmental regulations in effect when the Mortgage Loan was originated, including
 - FIRREA,
 - all fair lending laws, and
 - all fair housing laws;
- provide the Appraiser all applicable documents needed to accurately assess Property's value, including:
 - the most recent PCA Report, or any other inspection reports (e.g., a structural engineering report);
 - a rent roll dated within 60 days of the Appraiser's inspection date;
 - Property operating statements detailing
 - income and expenses for the previous year (if available, for the previous 2 years), and
 - year-to-date income and expenses;
 - ~~your sample of residential leases reviewed;~~
 - copies of ~~any:~~
 - the Borrower's standard form of residential lease;
 - any executed commercial leases, including all amendments and attachments;
 - any ground leases;
 - any easements or regulatory agreements; and
 - any purchase/sales contracts executed within 3 years before the Appraisal date;
 - any Environmental Site Assessments;
 - architectural plans, if the Property is not yet completed;
 - site plans/surveys, if available;
 - for a Moderate Rehabilitation Property, details of the
 - capital expenditures incurred, and
 - total construction costs; and



- any information that may affect the Appraiser's estimate of the Property's value; and
- not accept any Appraisal completed by an Appraiser selected, retained, or compensated by:
 - the Borrower;
 - the Sponsor;
 - any Key Principal;
 - any Guarantor;
 - for an acquisition, the seller or any related party; or
 - any third party, including Mortgage Loan
 - Brokers, or
 - Correspondents.

➔ Guidance

If final reports are unavailable, you may send draft versions of the

- PCA Report, and
- Environmental Site Assessments.

If the final reports differ materially from the drafts sent to the Appraiser, you must:

- forward the final reports to the Appraiser; and
- inquire whether the Appraisal should be updated based on the final reports.

202.01B Permissible Appraiser Communications

202.02B

Requirements

When communicating with an Appraiser, you must comply with the Appraiser Communications table.

Appraiser Communications



You may...	You must not...
<ul style="list-style-type: none">• obtain supporting information for a specific market, including:<ul style="list-style-type: none">- sales or rental comparable properties;- rent or expense data;- capitalization rate data;- recent sales; or- price per unit or square footage ranges;• provide all documents needed to accurately assess the Property's value per this Chapter;• share or request additional supporting comparable property information; and• request additional documents supporting the Appraiser's conclusions.	<p>provide any Mortgage Loan data, such as</p> <ul style="list-style-type: none">• LTV,• DSCR,• amount, or• Underwritten NCF.

202.02C Appraiser Independence

Requirements

You must ensure no Person influences, or attempts to influence, the development, reporting, result, or review of an Appraisal through coercion, extortion, collusion, compensation, inducement, intimidation, bribery, or any other manner including:

- withholding, or threatening to withhold:
 - timely payment; or
 - future business;
- demoting or terminating, or threatening to demote or terminate, the Appraiser or any Appraiser employee;
- promising, either expressly or implicitly, the Appraiser or any Person related to the Appraiser:
 - future business;
 - promotions; or
 - increased compensation, including



- financial benefits, or
- non-financial benefits;
- conditioning the Appraisal order, or any bonus payment on
 - the Appraisal's opinion of the Property's value, or
 - a requested preliminary value estimate;
- any Appraiser communications (other than providing a copy of the purchase/sales contract for an acquisition transaction) regarding the Property's anticipated, estimated, encouraged, or desired:
 - comparable properties;
 - capitalization rates; or
 - value or value range;
- providing the Appraiser a proposed or targeted loan amount;
- impairing, or attempting to impair, through any other act or practice, the Appraiser's
 - independence,
 - objectivity, or
 - impartiality; or
- violating compliance with any law or regulation, including the USPAP.

To ensure the Appraiser's independence, you must:

- implement written policies and procedures;
- ensure any Outside Parties involved in your Lender Appraisal Functions maintain Appraiser independence by confirming they do not also participate in your Lender Loan Origination Functions; and
- if requested, provide evidence confirming your Lender Loan Origination Functions are separate from your Lender Appraisal Functions.

 Guidance



Appraisal Independence	
To ensure compliance, your written policies should include...	That describe...
<u>Procedures</u>	<p>how you maintain independence between the Lender Appraisal Function and Lender Loan Origination Functions through</p> <ul style="list-style-type: none"> • organizational measures (e.g., an ethical wall), • staffing, and • written documentation.
<u>Disciplinary Rules</u>	<p>the consequences for not complying with the requirements, including</p> <ul style="list-style-type: none"> • promotion delays, • compensation reductions, or • termination, in very severe cases.
<u>Training Programs</u>	<p>in-person or online training:</p> <ul style="list-style-type: none"> • designed to aid compliance with the requirements; and • detailing policies outlining mandatory training <ul style="list-style-type: none"> - types, - content, - audiences, and - frequency.

202.01C
202.02D

Valuation Date

Requirements

Valuation Date	
If the Appraisal Date is more than...	You must...



6 months before the Commitment Date	Instruct the Appraiser to update the Appraisal per Instructions for Appraisers (Form 4827) .
12 months before the Commitment Date	Order a new Appraisal .

Guidance

You may be required to obtain a new or updated [Appraisal](#) if Fannie Mae determines the market deteriorated between the

- [Appraisal Date](#), and
- [Commitment Date](#).

~~202.01D~~ Appraisals Ordered by Another Lender 202.02E

Requirements

If you [Deliver a Mortgage Loan](#) with an [Appraisal](#) prepared by an [Appraiser](#) selected by another lender, you must:

- make all representations and warranties to Fannie Mae regarding the [Appraisal](#); and
- confirm it complies with this [Guide](#).

~~202.01E~~ Lender Appraisal Review 202.02F

Requirements

Your ~~employees~~ [Lender Appraisal Functions](#) must:

- review and approve each [Appraisal](#) for adequacy and compliance; and
- ensure the [Appraisal](#) includes:
 - an accurate description of the [Property](#) and the market, including:
 - the [Property's](#) complete legal description;
 - any information you provided the [Appraiser](#);



- color photographs of the **Property's**
 - exterior,
 - interior common areas,
 - typical unit interiors,
 - surrounding area,
 - rental comparables,
 - sales comparables, and
 - commercial rental comparables;
- maps showing the **Property's** location relative to the location of the
 - land comparables,
 - current rental comparables,
 - future rental comparables, and
 - sales comparables;
- qualifications of the
 - **Appraiser**, and
 - any supervising **Appraiser**; and
- a copy of your
 - complete signed engagement letter with the **Appraiser**, and
 - communications with the **Appraiser** regarding the **Appraisal** scope;
- an opinion of the **Property's** value per **Part II, Chapter 2: Valuation and Income, Section 202.02A: Appraised Value**, and supported by
 - market data,
 - logical analysis, and
 - sound professional judgment;
- an opinion of the **Property's** insurable value; and
- an industry standard form of **Appraisal** appropriate for the



Mortgage Loan's

- size, and
- structure.

You Your Lender Appraisal Functions must:

- return any report to the **Appraiser** that:
 - is incomplete; or
 - lacks credibility; and
- ensure your **Appraisal** review:
 - is documented in the Transaction Approval Memo;
 - is accompanied by all other **Appraisals** you ordered on the **Property** during the past 3 years; and
 - includes all information per the following Appraisal Analysis table.

Appraisal Analysis	
For...	You must...
Market Conditions	Confirm the Appraisal accounts for current market conditions, including <ul style="list-style-type: none">• supply and demand dynamics,• interest rates, and• economic factors.
Data Accuracy	Verify the Appraisal's data accuracy, including <ul style="list-style-type: none">• Property details,• recent sales prices, and• relevant market data.
Property Inspections	Determine if the Appraiser conducted a thorough inspection of the Property , including random sampling of occupied and vacant units per Instructions for Appraisers (Form 4827).



<p>Sales/Rental Comparable Analysis</p>	<ul style="list-style-type: none">• Determine if the Appraiser used appropriate comparable properties similar in:<ul style="list-style-type: none">- size and/or unit count (on both a per-unit and a per-square foot basis);- type (e.g., high-rise, mid-rise, garden, etc.);- age;- condition;- in-unit finishes;- amenities;- location, including<ul style="list-style-type: none">▪ market,▪ submarket, and▪ distance to subject; and- sales of comparable properties, with at least 1<ul style="list-style-type: none">▪ being a listing/pending sale, or▪ sold within 24 months of the Appraisal Date.• If appropriate comparable properties were not used, either:<ul style="list-style-type: none">- coordinate with the Appraiser to obtain additional comparable properties; or- provide the Appraiser additional comparable properties from Appraisals<ul style="list-style-type: none">▪ for any prior transactions you originated within the last 12 months before the Appraisal Date, or▪ from any external data sources verifiable by the Appraiser.
<p>Market Rents and Expense Analysis</p>	<p>If the Appraiser's proforma income or expenses substantially differ from the Property's income and expenses used to calculate the Underwritten NCF , provide additional supporting comparable property data or rationale supporting your conclusions.</p>



Capitalization Rate Analysis	Provide your assessment that the capitalization rate: <ul style="list-style-type: none">• supports your final Underwriting Value; and• is within comparable capitalization rates compared to<ul style="list-style-type: none">- your portfolio data, or- any other external data sources you use to review appraisals.
Value Reconciliation	<ul style="list-style-type: none">• Review how the Appraiser reconciled the values obtained from different approaches to determine the final opinion of value.• Document your assessment.

For each **Appraisal**, **you** your **Lender Appraisal Functions** must ensure all:

- **Potential Red Flags for Mortgage Fraud and Other Suspicious Activity** were considered and the review documented in the Transaction Approval Memo; and
- unresolved red flags were reported per Part I, Chapter 3: Borrower, Guarantor, Key Principals, and Principals, Section 308: Compliance.

202.01F
202.02G

Subsequent Appraisals

Requirements

For any **Mortgage Loan**, you must not order, obtain, use, or pay for a subsequent **Appraisal** unless:

- you document in your Transaction Approval Memo that the initial **Appraisal**:
 - was not credible; or
 - violated legal and/or professional standards related to
 - **USPAP**, or
 - nondiscrimination; and
- the subsequent **Appraisal**:
 - is required per your pre-established written pre- or post-funding



Appraisal review policy;

- adheres to a policy of selecting the most reliable Appraisal rather than the Appraisal with the highest value; or
- is required by law.

202.01G Appraiser Discontinuance or Misconduct

202.02H

Requirements

You must promptly notify:

- Fannie Mae if you discontinue using any Appraiser who completed Appraisals within the past 12 months for Mortgage Loans you Delivered; and
- Fannie Mae and the applicable state Appraiser certifying and licensing agency, or other regulatory body, if you believe an Appraiser is:
 - violating USPAP, fair lending, fair housing, or other applicable laws;
 - not complying with Instructions for Appraisers (Form 4827) in violation of its engagement with you; or
 - engaging in unethical conduct.

202.02 Valuation

202.03

202.02A Appraised Value

202.03A

Requirements

You must ensure:

- the Appraiser's engagement letter requires compliance with Instructions for Appraisers (Form 4827);
- the Appraiser provides an opinion of the market value on an "as is" basis;
- the Appraiser's opinion of the market value covers:



- each separate Project per Part II, Chapter 1: Attributes and Characteristics, Section 102.01: Single Borrower Ownership; and
- the aggregate market value of all Projects; and
- regardless of any allocation in the purchase/sales agreement, the Appraiser's opinion of the market value excludes any value from
 - goodwill,
 - business value (permitted for Seniors Housing Properties),
 - intangibles,
 - furniture,
 - fixtures (unless customary in the market), or
 - equipment.

You may also request the Appraiser provide an opinion of the Property's market value on an "as completed" basis, but you must only use an "as completed" value if all of the following apply:

- less than 12 months have passed between the
 - Borrower's acquisition of the Property, and
 - Commitment Date;
- for any capital improvements completed after the Mortgage Loan Origination Date to be considered in an "as completed" value, they must be:
 - Immediate Repairs listed in the PCA; or
 - improvements identified by the Borrower, if you agree the improvements will add Property value;
- all capital improvements are included in either the
 - Completion/Repair Schedule, or
 - Rehabilitation Reserve Agreement;
- sufficient funds to complete all capital improvements are deposited into either the Completion/Repair Escrow or the Rehabilitation Reserve Account:
 - for capital improvements identified as Immediate Repairs, the funds must cover any higher funding percentage you require; and



- for capital improvements identified by the **Borrower**, the funds must cover the estimated cost (including a cost overrun allowance); and
- all capital improvements must be completed within:
 - 12 months after the **Mortgage Loan Origination Date**, if identified by the **Borrower**; or
 - any shorter time period per **Part II, Chapter 4: Inspections and Reserves, Section 404: Completion/Repairs**, if listed as **Immediate Repairs**.

202.02B

Property's Sale History

202.03B

Requirements

You must:

- analyze the **Property's** sale history for the last 3 years, including any transfer of a **Controlling Interest** in the owner;
- address the following in your **Transaction Approval Memo**:
 - if a sale occurred within the last 24 months, document the
 - circumstances of the sale, and
 - support for any increased **Appraised Value** by analyzing any
 - **Net Cash Flow** increases,
 - capitalization rate compression, and
 - value-add market drivers; and
 - if any stated sales price per the purchase/sales agreement differs from the transfer price per the public records or third-party reports, investigate and document the discrepancy;
- for any acquisition, confirm the seller was the **Property** owner in the real estate records when the purchase/sales agreement was signed;
- evaluate the purchase/sale contracts to
 - clearly identify the
 - seller, and



- purchaser, and
- confirm the sale was an arm's length transaction;
- review the final settlement statement before the **Mortgage Loan Origination Date** to confirm accuracy of the
 - purchase price,
 - closing costs, and
 - any cash in/out to the seller and purchaser; and
- submit a copy of:
 - the final settlement statement at **Delivery**; and
 - all purchase/sales contracts and amendments to
 - the **Appraiser**, and
 - Fannie Mae.

202.02C

Underwriting Value

202.03C

Requirements

Your **Underwriting Value** must not exceed the **Appraised Value**, as reduced by any adjustments you deem necessary, accounting for:

- your analysis of the **Property's** sales history; and/or
- **Property** deficiencies that cannot be cured within 6 months after the **Appraisal Date**.

If less than 12 months have passed between the **Borrower's** acquisition of the **Property** and the **Commitment Date**, your **Underwriting Value** must not exceed the lower of the

- **Appraised Value**, or
- sum of the:
 - **Property's** acquisition price per the title company settlement statement, with no allocations to:
 - goodwill,



- business value (permitted for [Seniors Housing Properties](#)),
- intangibles,
- furniture,
- fixtures (unless customary in the market), or
- equipment;
- cost of capital improvements or repairs that increase the [Property's](#) value, if
 - completed and fully paid, or
 - sufficient funds for completion are deposited in the [Completion/Repair Escrow](#) or reserve account; and
- actual acquisition costs, not exceeding 3% of the acquisition price (but excluding all costs or fees paid to a [Borrower Affiliate](#)), including:
 - [Origination Fee](#);
 - arm's length acquisition fee (generally 1% - 2%) paid to an unrelated [Person](#) if documented in the [Settlement Statement](#);
 - third-party report fees;
 - [Borrower](#)-paid legal fees incurred on your behalf;
 - title search and title insurance fees;
 - survey fees;
 - real estate and stamp taxes;
 - deed-recording fees; and
 - credit report charges.

Guidance

Actual acquisition costs should exclude any prepaid operating expenses or deposits applied toward future operating expenses or [Property](#) improvements, including:

- prepaid or escrowed
 - real estate taxes, or



- insurance premiums;
- prepaid
 - utilities,
 - Mortgage Loan interest, including any interest rate buydown expense,
 - rents, or
 - security deposits;
- funded
 - Replacement Reserve (including any initial deposit),
 - Interest Rate Cap cost,
 - operating or Restabilization Reserve, or
 - Borrower-controlled Property operating or capital accounts;
- fees included in the Gross Note Rate, including any
 - Origination Fee, or
 - broker fee; and
- ~~acquisition fees paid to a Borrower-Affiliate; and~~
- for an MAH Property, pre-paid Bond-related and compliance monitoring fees.

Section 203

Income Analysis

203.01 Underwritten Net Cash Flow (Underwritten NCF)

➔ Guidance

When calculating the Property's Underwritten NCF, you should:

- use objective measures to determine the revenue generated and the expenses incurred;
- use the best information available, including
 - historical performance, and
 - anticipated operations;



- use best efforts to obtain operating statements for the prior 3 years;
- obtain the prior full-year operating statement or, at a minimum, one covering the trailing 6 months (annualized);
- request trailing 3-month physical and economic vacancy history if not included on the operating statement provided;
- use best efforts to obtain a current aged receivables report, listing rent delinquencies at day
 - 30,
 - 60, and
 - 90;
- review operating statement and rent roll updates, ensuring no inexplicable variances compared to previously provided statements;
- if variances are identified compared to previously provided statements, they should be
 - investigated,
 - reconciled, and
 - documented in the Transaction Approval Memo; and
- consider if the **Property** can achieve the **Underwritten NCF** within 12 months after the **Mortgage Loan Origination Date**, absent
 - unexpected market conditions, or
 - other unforeseen events.

You may, for:

- acquisitions only, rely on the **Borrower's** budgeted operating statements; and
- all **Mortgage Loans**, calculate the **Underwritten NCF** more conservatively, if warranted by specific **Property** circumstances.

Requirements

You must:

- determine the reasonableness of the **Property's** current income and expenses based on historical data from external real estate data



aggregator services;

- if adjustments were made to any reviewed historical operating statement:
 - document and reconcile each:
 - individual, adjusted line item; and
 - amount; and

individually adjusted line item; and
 - provide supporting detail in the Transaction Approval Memo; and
- use the following table to calculate Underwritten NCF for all Mortgage Loans unless another table is provided in the applicable Part III chapter based on the specific product.

REQUIRED UNDERWRITTEN NCF (CONVENTIONAL LOANS)		
Item	Function	Description
CALCULATION OF NET RENTAL INCOME		
1		<p>GROSS RENTAL INCOME – actual rents in place for occupied units, plus market rents for vacant units based on a current rent roll (multiplied by 12). The Property must have Stabilized Residential Occupancy by Qualified Tenants.</p> <p>If the Property is located in New York City and subject to the J-51 Tax Incentive Program where the Borrower has decontrolled rent-stabilized units (a Decontrol Event), you must adjust the current rents to reflect no rent decontrol benefits:</p> <ul style="list-style-type: none"> • Calculate the base rent as the rent amount per unit prior to the Decontrol Event date. • Use the base rent for each applicable unit to determine the Gross Rental Income. • Increase the base rent by the appropriate percentage allowed per New York City Rent Stabilization laws per annum through the present rent roll date.



2	PLUS	To the extent deducted as an operating expense, rents for other non-revenue units (e.g., model units deducted in the “model apartment” operating expense in the “general and administrative” category, or actual rent from employee units deducted in the “employee” operating expense in the “payroll and benefits” category).
	EQUALS	GROSS POTENTIAL RENT (GPR)
3	MINUS	Premiums (e.g., identifiable additional income from furnished units or short term leases) and/or corporate premiums (e.g., identifiable additional income from corporate units, housekeeping services, etc.).
4	MINUS	Physical vacancy – market rents for vacant units based on a current rent roll (multiplied by 12). ¹
5	MINUS	Concessions - the aggregate amount of forgone residential rental income from incentives granted to tenants for signing leases, such as free rent for 1 or more months, move-in allowance, etc. ¹
6	MINUS	Bad debt - the aggregate amount of unpaid rental income determined to be uncollectable, including any adjustments to other income for bad debt. ¹
	EQUALS	NET RENTAL INCOME (NRI) ²



1 The total of Items 4, 5, and 6 must equal the greater of

- the difference between the trailing 3-month net rental collections (annualized) and GPR, or
- 5% of GPR.

2 NRI must reflect projected operations for the underwriting period.

a. You must assess the NRI using these parameters and fully support any changes:

- Assess the individual month NRI within the prior full-year operating statement or, at a minimum, an operating statement covering at least the trailing 6 months (annualized).
- If rents and collections are stable or increasing, and any negative fluctuation can be reconciled and adequately explained, you may use an NRI that exceeds the trailing 3-month NRI, provided the NRI does not exceed the highest 1-month NRI used in the trailing 3-month NRI calculation.

b. You must assess declines in NRI using these parameters:

- Assess if any decline occurred in NRI for the trailing 3-month period compared to the trailing 6-month period and the trailing 12-month period.
- If the decline in NRI for the trailing 3-month period is greater than 2% compared to either the trailing 6-month period or the trailing 12-month period, you must adjust the NRI downward to an amount that is 2% less than the lowest NRI for the trailing 1-month, 3-month, 6-month, or 12-month period.
- You must make a minimum 2% adjustment to NRI; however, you are expected to make additional downward adjustments as appropriate to reflect current market conditions not reflected in historical operations.

CALCULATION OF OTHER INCOME



7	PLUS	<p>Actual other income (except premiums and corporate premiums) generated through ongoing operations. The income must:</p> <ul style="list-style-type: none"> • be stable; • be common in the market; • exclude one-time extraordinary non-recurring items; and • be supported by prior years. <p>You must assess the individual month's other income within the prior full-year operating statement or, at a minimum, an operating statement covering at least the trailing 6 months (annualized).</p> <p>If there are fluctuations, you may use other income that exceeds the trailing 3-month other income (annualized), provided it does not exceed the highest 1-month other income used in the trailing 3-month other income calculation.</p> <p>When determining the other income, you must</p> <ul style="list-style-type: none"> • adjust Items 8 through 12, and • include specific income for Items 13 through 15 when applicable.
---	------	---

CALCULATION OF COMMERCIAL INCOME

8	PLUS	Actual income from leased and occupied commercial space per Part II, Chapter 1: Attributes and Characteristics, Section 109: Commercial Leases .
9	PLUS	Actual income from STR units.
10	MINUS	10% of the actual commercial space income (total of Items 8 plus 9). ³
11	PLUS	Commercial parking income (e.g., public parking) that does not exceed actual trailing 12-month collections. ³

³ If net commercial income is greater than 20% of EGI, then reduce to 20% of EGI.



12	PLUS	Premiums, provided that the income must: <ul style="list-style-type: none">• be stable or increasing;• be typical (in type and amount) in the market;• be supported by prior years; and• not exceed the income generated over the most recent year or trailing 12-month period.
13	PLUS	Corporate premiums, provided that this income must: <ul style="list-style-type: none">• not be included for more than 10% of the Property's units;• be stable or increasing;• be typical (in type and amount) in the market;• be supported by prior years; and• not exceed the income generated over the most recent year or trailing 12-month period.
14	PLUS	Laundry and vending.
15	PLUS	Parking - income from residential parking/garage spaces.



16	PLUS	<p>All other income, including the following:</p> <ul style="list-style-type: none"> • application fees; • cable; • club house rental; • fees charged tenants for returned checks due to insufficient funds (NSF); • forfeited security deposits; • late fees; • miscellaneous; • non-refundable fees; • pet fees; • reimbursements; • storage; • temporary tenants; • utility; and • other. <p>The following must not be included:</p> <ul style="list-style-type: none"> • corporate tax and refunds; • delinquency; • Financial Accounting Standards Board 13 straight-line lease income; • gain on sale; • insurance proceeds; • interest income; • interest on security deposits; • mobile home sales; • partnership funds received; • sales tax collected; • security deposits collected; • security deposits returned; • straight-line lease income; and • tax reimbursement from real estate taxes.
	EQUALS	EFFECTIVE GROSS INCOME (EGI)
CALCULATION OF OPERATING EXPENSES		



17	MINUS	<p>Line-by-line stabilized operating expenses. Stabilized operating expenses are the expenses during normal ongoing Property operations, not affected by a</p> <ul style="list-style-type: none">• lease-up,• rehabilitation, or• other short-term positive or negative factors. <p>Non-recurring, extraordinary expenses must not be included.</p> <p>You must access:</p> <ul style="list-style-type: none">• past operating history;• the Appraiser's expense analysis;• all information available to you (including Property contracts, utility bills, real estate tax assessments, insurance policies, and comparable assets); and• the Borrower's budget (in the case of an acquisition). <p>You must:</p> <ul style="list-style-type: none">• analyze historical operations at the Property;and• apply an appropriate increase over the prior year's operations in determining an estimate;and• include all STR-related expenses in their respective expense line items, including<ul style="list-style-type: none">- cleaning,- furnishing, and- repairs.
----	-------	--



17(a)	MINUS	<p>Property management fee equal to the greatest of:</p> <ul style="list-style-type: none"> • 3% of EGI⁴; • actual property management fee, provided you <ul style="list-style-type: none"> - exclude any portion of a non-arm's length property management fee that is subordinated to the Mortgage Loan, and - include any known contractual fee increases occurring over the next 24 months; <p>or</p> <ul style="list-style-type: none"> • Appraiser's concluded market property management fee.
<p>4 Minimum property management fee may be 2.5% of EGI (rather than 3% of EGI) provided that the:</p> <ul style="list-style-type: none"> • underwritten management fee is at least \$500 per unit; • actual management fee is equal to or less than the underwritten management fee (provided you exclude any portion of a non-arm's length property management fee that is subordinated to the Mortgage Loan); • Mortgage Loan has an original principal amount greater than \$9 million; and • market management fees support the underwritten management fee for similarly sized properties. 		



17(b)	MINUS	<p>Real estate taxes based on the greatest of:</p> <ul style="list-style-type: none">• actual future tax bill(s) covering a full calendar year;• prior full year's taxes multiplied by 103%; or• in California, the sum of:<ul style="list-style-type: none">- any special assessments; plus- the millage rate multiplied by the greater of the<ul style="list-style-type: none">▪ Mortgage Loan amount, or▪ assessed value. <p>You must, for:</p> <ul style="list-style-type: none">• any tax abatement, exemption, deferral, or PILOT expiring within 36 months after the Mortgage Loan Origination Date, include fully assessed real estate taxes;• any Property whose sale would trigger an automatic reassessment, include any expected increase;• any Property with an annual or scheduled reassessment within 12 months after the Mortgage Loan Origination Date, include any expected increase;• all Properties:<ul style="list-style-type: none">- use the most recently available assessed value (even if preliminary); and- do not use expected results from a protest, unless the protest is legally binding on the Borrower and taxing authority. <p>If the Property has real estate tax abatements, exemptions, deferrals, or PILOTs, they must:</p> <ul style="list-style-type: none">• be in effect at closing, per written documentation from the state or local tax assessor; and• survive a foreclosure on the Mortgage Loan such that Fannie Mae or a subsequent owner will retain the abatement, exemption, deferral, or PILOT (i.e., it is tied to the Property and not the owner).
-------	-------	---



17 (b) continued	MINUS	<p>If the timeframe for the real estate tax abatement, exemption, deferral, or PILOT is shorter than the Mortgage Loan term, or begins phasing out or expires within 5 years after the Maturity Date, you must consider:</p> <ul style="list-style-type: none"> • a Bifurcated Mortgage Loan structure (i.e., 2 notes secured by a single first Lien Security Instrument); • an amortization schedule that accommodates the elimination of the abatement; or • providing clear justification and support in the refinance analysis.
17(c)	MINUS	<p>Insurance equal to:</p> <ul style="list-style-type: none"> • the quoted expense, for insurance policies with a bona fide written quote from a reputable broker for a new 12-month policy; or • for insurance policies with a remaining term of: <ul style="list-style-type: none"> - less than 6 months, 110% of the current expense; or - 6 to 12 months, 105% of the current expense. <p>For an acquisition:</p> <ul style="list-style-type: none"> • only underwrite premiums from the purchaser's carrier; and • disregard the seller's current insurance <ul style="list-style-type: none"> - premiums, or - estimates. <p>If the Property's area is prone to Catastrophic Events, ensure the expense aligns with the market.</p>



17(d)	MINUS	Utilities, including the following: <ul style="list-style-type: none">• building lights;• dumpster rental;• electricity;• fuel oil;• heat;• natural gas;• non-common area electric;• parking lot electric;• parking lot lights;• septic;• trash removal (including contract);• utilities;• vacant unit utilities; and• other.
17(e)	MINUS	Water and sewer.



17(f)	MINUS	Repairs and maintenance, including the following: <ul style="list-style-type: none">• appliances;• building;• carpet;• cleaning;• common area maintenance;• decorating;• electrical;• elevator;• equipment repairs;• exterminating services;• floor covering replacement;• HVAC;• janitorial;• landscaping (exterior);• landscaping (interior/plants);• lawn and grounds;• lock/keys;• maid service;• make ready;• mechanical;• painting;• parking lot;• parking lot lighting repair;• pest control;• plumbing;• pool;• rubbish removal;• scavenger;• snow removal;• supplies;• supplies (cleaning);• turnover;• vacancy preparation;• water irrigation;• water treatment;• window covering repair/replacement (minor); and <ul style="list-style-type: none">• other.
-------	-------	---



17(g)	MINUS	Payroll and benefits, including the following: <ul style="list-style-type: none">• 401k;• bonuses;• contract labor (carpet cleaning);• contract labor (make ready);• contract work;• custodian salary;• employee benefits;• employee expense;• employee insurance;• FICA;• health benefits;• labor plumbing;• manager salaries;• payroll and benefits;• payroll and processing;• payroll taxes;• salaries;• salaries maintenance;• security personnel's salary;• subcontracted labor;• temporary help;• unemployment insurance;• worker's compensation; and• other.
-------	-------	--



17(h)	MINUS	Advertising and marketing, including the following: <ul style="list-style-type: none">• apartment finder/guide;• banners;• brochures;• building signage;• finder's fee;• media commissions;• newspaper ads;• promotions;• resident relations;• signage;• supplies (marketing);• tenant relations;• Yellow Pages; and• other.
17(i)	MINUS	Professional fees, including the following: <ul style="list-style-type: none">• accounting or tax preparation fees;• architectural fees;• attorney fees;• bookkeeping fees;• engineering fees;• legal fees/expense;• professional fees; and• other.



17(j)	MINUS	General and administrative, including the following: <ul style="list-style-type: none">• ad valorem tax;• administrative fee;• alarm system;• answering service;• auto leasing;• auto repairs;• bank charges;• broker commission/fees;• business license;• cable;• cell phone/pager;• commissions;• computer repairs;• courtesy patrol;• credit check;• donations;• education;• entertainment;• equipment lease/rental;• eviction expense;• fire extinguisher;• freight and shipping;• leased equipment;• leasing commissions;• leasing office expense;• licenses;• life safety;
-------	-------	--



17 (j) continued	MINUS	<ul style="list-style-type: none">• mileage;• miscellaneous general and administrative expenses;• model apartment;• moving expense;• office supplies;• office unit (non-revenue unit);• permits;• personal property taxes;• postage;• printing;• public relations;• rental commissions;• rental expense;• security;• security vehicle and maintenance vehicle;• space designs and drawings;• subscription dues;• telephone;• travel;• truck repairs;• uniform service;• utility vehicle;• vehicle lease;• vehicle repair and expense; and• other.
---------------------	-------	---



17(k)	MINUS	<p>Other expenses, including the following:</p> <ul style="list-style-type: none">• ancillary expense;• franchise taxes and fees;• general building;• miscellaneous;• ongoing costs associated with any Interest Rate Cap Agreement;• other expenses/costs; and• for STR:<ul style="list-style-type: none">- taxes, fees, etc. imposed by the governing jurisdiction; and- if applicable, the difference in actual lease STR income and an equivalent market rate apartment rent (as if leased as an apartment unit). <p>For example, if actual lease STR income for a unit is \$1,000 and market rate residential rent for that unit is \$900, then deduct \$1,200 ($\\$1,000 - \\$900 = \\$100 \times 12$ months) as an "other" expense.</p> <p>Do not include the following:</p> <ul style="list-style-type: none">• amortization;• depreciation;• entity (i.e., filing, license, etc.);• financing fees;• initial or upfront costs associated with any Interest Rate Cap Agreement;• interest;• legal fees associated with securing Mortgage Loans;• life insurance;• owner's draw;• partnership fees;• principal payments on any loan;• sales tax paid; and• trust account fees.
-------	-------	---



18	MINUS	For a Condominium Property or a Shared Use Property : <ul style="list-style-type: none"> • annual assessment fees, including any expected assessment fee escalation; and • any known special assessments.
19	MINUS	Ground rent for any Ground Lease or any master lease. Ground Lease bonus rent and/or escalations during the term of the Mortgage Loan must be considered when calculating Underwritten NCF and analyzing refinance risk.
	EQUALS	UNDERWRITTEN NOI
20	MINUS	Replacement Reserve expense, including a <ul style="list-style-type: none"> • minimum annual amount of \$200 per unit, or • greater amount if required in Part II, Chapter 4: Inspections and Reserves, Section 405: Replacement Reserve. Replacement Reserve expense must be included whether the escrow is funded or not.
	EQUALS	UNDERWRITTEN NCF

203.02 Underwritten DSCR

Requirements

You must calculate **Underwritten DSCR** per the following table.

Item	Function	Description
1		Underwritten NCF per Part II, Chapter 2: Valuation and Income, Section 203.01: Underwritten Net Cash Flow (Underwritten NCF) .



Item	Function	Description
2	DIVIDED BY	<p>Annual debt service for the Mortgage Loan amount.</p> <p>You must base debt service on a level debt service payment, including amortization, and the greater of the</p> <ul style="list-style-type: none">• actual note rate, or• required Underwriting Interest Rate Floor per Form 4660.

When calculating [Underwritten DSCR](#) for a [Mortgage Loan](#) with an interest-only period, you must use the same level debt service payment, including amortization, regardless of the length of the interest-only period.

The Underwriting Interest Rate Floor, if applicable, is the lowest interest rate you may use to determine the [Mortgage Loan](#) amount.

If the [Gross Note Rate](#) is below the required Underwriting Interest Rate Floor, per [Form 4660](#), you must use the Underwriting Interest Rate Floor to establish the permitted [Mortgage Loan](#) amount.

All underwriting [Tier](#) requirements must be based on the [Underwritten NCF](#).

Section 204

Refinance Risk Analysis

Requirements

You must prepare an exit strategy analyzing the [Borrower's](#) ability to refinance the [Mortgage Loan](#) in the year after the [Maturity Date](#) (e.g., use the projected [NCF](#) in year 11 for a [Mortgage Loan](#) with a 10-year term), by calculating a:

- “reversion” cap rate, which is the expected capitalization rate able to be supported per the projected [NCF](#); and
- [Refinance Interest Rate](#).

204.01 Base Assumptions

Requirements



For Loan Year 1, use the Underwritten NCF. For all subsequent Loan Years, you must derive proforma NCF as follows:

Factor	For...	Use...
Income Growth Rate	<ul style="list-style-type: none"> • Structured Transactions, and • Mortgage Loans secured by multiple Properties 	2%.
	All other Mortgage Loans	the growth rates published in DUS Gateway for the Property.
Economic Vacancy	All Mortgage Loans	the underwritten economic vacancy rate.
Real Estate Taxes	California Properties	<ul style="list-style-type: none"> • acquisitions, 2%; or • refinances, no trending is required until the year when the actual tax bill would surpass the underwritten taxes, then trend by 2%.
	Non-California Properties	<ul style="list-style-type: none"> • use 3% for <ul style="list-style-type: none"> - Structured Transactions, and - Mortgage Loans secured by multiple Properties; and • for all other Mortgage Loans, use the growth rates published in DUS Gateway for the Property.



Factor	For...	Use...
Real Estate Tax Abatements, Exemptions, Deferrals, or PILOTs	All Mortgage Loans	<ul style="list-style-type: none"> • if an abatement, exemption, deferral, or PILOT begins phase out or expires within 5 years after the Maturity Date, use fully assessed real estate taxes; and • if an abatement expires or taxes are expected to rise during the Mortgage Loan term, increase taxes to the expected level, then trend by: <ul style="list-style-type: none"> - 3% for <ul style="list-style-type: none"> ▪ Structured Transactions, and ▪ Mortgage Loans secured by multiple Properties; or - the growth rate published in DUS Gateway in the year prior to the adjustment for all other Mortgage Loans.
Management Fee	All Mortgage Loans	the underwritten rate.
Replacement Reserves	All Mortgage Loans	the underwritten value.
Insurance and Other Expenses	<ul style="list-style-type: none"> • Structured Transactions, and • Mortgage Loans secured by multiple Properties 	3%.
	All other Mortgage Loans	the growth rates published in DUS Gateway for the Property .



You must estimate the [Mortgage Loan UPB](#) at the [Maturity Date](#) as follows:

For...	Use...
Amortization	<ul style="list-style-type: none">• 30 years, or• the amortization for the applicable product or features.
DSCR	The minimum Tier 2 DSCR for the applicable product or features, per Form 4660 .
LTV	The maximum Tier 2 LTV for the applicable product or features, per Form 4660 .

Guidance

In most cases, the combined effect of principal amortization and [NCF](#) growth should result in a refinancing at the minimum [DSCR](#) and maximum [LTV](#) for [Tier 2](#), using a reasonable interest rate.

You should consider the following refinance parameters:

- A target reversion capitalization rate at least 2.0% greater than the initial capitalization rate used for determining [Underwriting Value](#).
- A [Refinance Interest Rate](#) at least 2.25% greater than the current 10-year Amortizing Nationwide Underwriting Floor rate, per [Form 4660](#).

204.02 Alternative Assumptions

Requirements

You must:

- present an alternative risk analysis using assumptions that deviate from the base assumptions if:
 - you determine the base assumptions do not appropriately estimate the [Property's NCF](#) over the [Mortgage Loan](#) term; or
 - third-party data providers project rent growth materially below Fannie Mae growth rates published in [DUS Gateway](#);
- identify and support any deviations with
 - reliable evidence, and



- historical and projected market trends; and
- state your conclusions, discussing any mitigating factors, such as the:
 - strength of the
 - Sponsor, or
 - submarket; and
 - Property's
 - characteristics,
 - operating history, and
 - performance.

➔ Guidance

Income and Expense Growth Rates: Income and expense trending should incorporate projected market rates based on general economic, market, and submarket conditions from reliable sources, as well as the Property's characteristics. For example:

- Rents on recently signed leases should only be used for estimating income growth in Loan Years 1 and 2.
- Rent projections greater than the Base Assumption Income Growth Rate should not be used beyond Loan Year 4.
- When improvements in market economic occupancy or sustained market rental rate increases are widely anticipated, growth trends above the Base Assumption Income Growth Rate may be supported.
- Projections of income growth resulting from Property renovations or improved operations should be limited to the first 3 Loan Years.
- When a Property is subject to a scheduled reassessment or a tax abatement phase-in period, tax expense should be adjusted appropriately.
- If a tax abatement, exemption, deferral, or PILOT begins phase out or expires more than 5 years after the Maturity Date, consider if the increased expense within 10 years after the Maturity Date may affect the Borrower's ability to refinance, and warrants
 - a lower Mortgage Loan amount,



- faster amortization, or
 - a reduced interest only period.
- When you expect to incur costs for tenant improvement allowances and leasing commissions, or to realize rent increases from the rollover of tenants, commercial income should be adjusted appropriately.
 - A substantially renovated **Property**, with improved in-unit finishes and/or new/renovated amenities, may experience different income and expense growth rates than properties of the same age; therefore, growth trends differing from the Base Assumption Income Growth Rate may be supported.

Economic Vacancy: **Properties** in submarkets with depressed economic conditions due to temporary demand or supply issues may be modeled to reflect the economic vacancy projected by a reliable source. If you expect a decrease in vacancy to achieve stabilized levels, you should consider

- the anticipated timing, and
- effect of decreased economic vacancy on projected income growth over the same time period.

Section 205

Cash Out Analysis

Requirements

You must:

- examine the risk of allowing cash out to the **Borrower** (see **Form 4660** for a description of cash out transactions); and
- for **New Construction**, consider the **Mortgage Loan** amount relative to the **Property's** total development cost basis.

When underwriting a cash-out transaction, you must consider and document in the Transaction Approval Memo:

- the amount of hard equity remaining in the **Property's** debt structure, excluding prior permanent financing costs, such as interest or prepayment premium;
- the length of time the **Borrower** has owned the **Property**;
- the **Property's**



- effective age, and
- current physical condition;
- over the ownership period, any improvement in
 - asset quality,
 - the Property's operations (i.e., its NCF), or
 - value;
- if the Property's value increased due to an increase in NCF, rather than a decrease in the capitalization rate; and
- for New Construction, the Property's total development costs basis per the New Construction table:

New Construction	
For...	The Property's total development cost basis includes...
Land	<ul style="list-style-type: none"> • Purchase price; plus • Value created since acquisition from <ul style="list-style-type: none"> - zoning changes, - demolition, - infrastructure improvements, - parcel assembly over time, and - other subjective entitlements. <p>Note: Valuation should be supported by recent land sale activity on a market and cash basis.</p>
Hard Costs	<p>Expenses for:</p> <ul style="list-style-type: none"> • items including <ul style="list-style-type: none"> - substructure, - shell, - interiors, - construction services, - equipment, and - furnishings; • developer fee (8% maximum); and • general contractor fee (10% maximum).



Soft Costs	<p>Fees for:</p> <ul style="list-style-type: none"> • Appraisal, market studies, etc.; • professional services, including <ul style="list-style-type: none"> - architecture, - engineering, - consulting, - legal, and - accounting; • review, impact, and testing (i.e., surveys, feasibility, environmental, geotechnical); • building permits and utility access; and • any HUD and LIHTC processing.
Construction Financing Costs	<p>Expenses for:</p> <ul style="list-style-type: none"> • construction loan financing, including <ul style="list-style-type: none"> - interest, and - origination fee; • construction period <ul style="list-style-type: none"> - real estate taxes, - insurance, and - utilities; and • Bond related fees.
HUD or LIHTC New Construction	Amount supported by the Cost Certification .

Cash Out Transaction Support	
Factor...	Must...
Cash Out Proceeds	Be commensurate with the length of the ownership period.
Property Condition	Have improved or been good over the ownership period.
Property NCF	Have improved over the ownership period.
Property Value	Have increased due to higher NCF over the ownership period.

Section 206

Borrower Business Plan



☑ Requirements

For acquisitions or refinances where the **Property** is being repositioned through a substantial capital improvement plan, you must analyze (and document in your Transaction Approval Memo) the:

- **Sponsor's:**
 - business plan (either through a written plan or by a conversation with the **Sponsor**), including
 - market rent growth expectations,
 - any planned capital improvements,
 - any expected rent premiums after renovations,
 - operating expense management, and
 - value appreciation through capitalization rate compression;
 - expected ownership period for the **Property** relative to the **Mortgage Loan** term; and
 - expected investment returns from owning/operating the **Property**, assuming
 - acquisition at the **Underwriting Value**, and
 - a hypothetical disposition at the **Mortgage Loan's Maturity Date**;
- **Mortgage Loan's Underwritten Capitalization Rate**; and
- motivation in the **Property's** investment compared to the **Borrower's** other investment alternatives.

Section 207

Rent-Stabilized Properties

➔ Guidance

For **Rent-Stabilized Properties** (e.g., located in New York State), you should:

- underwrite **Property** income based on current rents;
- exclude any potential rent increase for units converting to market rate from the projected **NCF** in the refinance risk analysis;
- assess and stress the cap rate used to determine the **Underwriting**



Value, and consider obtaining an Appraisal before Rate Lock;

- for fund Sponsors or other Sponsors requiring minimum investment returns, consider whether the Sponsor's interests are aligned with the limited rent increases allowed under the law; and
- fund the Replacement Reserve to maintain the Property's physical condition.



GLOSSARY

■ **Lender Appraisal Function**

The Lender:

- internal roles or job functions, including any employees that report up to the Chief Underwriter (but excluding any Lender Loan Origination Functions), involved with the following Appraisal-related responsibilities:

 - engaging the Appraiser;
 - defining the Appraisal's scope of work;
 - managing the Appraiser; or
 - reviewing the Appraisal; and

- employees or Outside Parties who perform or manage those job functions.

Synonyms

Lender Appraisal Functions

■ **Lender Loan Origination Function**

Any:

- Lender internal roles or job functions reporting up to the Chief Production Officer;
- Lender employees who receive a commission or bonus if the Mortgage Loan closes, including any employees or functions that report up to these roles and/or their immediate supervisor;
- Mortgage Loan Brokers; or
- Correspondents.

Synonyms

Lender Loan Origination Functions