



Preferred Equity Operating Procedures Job Aid

PREFERRED EQUITY CHECKLIST (Form 6441)

- The Preferred Equity Checklist (Form 6441) must be completed for all transactions with Preferred Equity or Structured Common Equity if required per [Part III, Chapter 153: Mezzanine Financing; Preferred Equity and Structured Common Equity. Borrowers, Key Principals, and Principals, Section 303: Key Principal, Principals, and Guarantors.](#)
- If per Form 6441, you determine the Borrower’s ownership structure contains Preferred Equity or Structured Common Equity requiring Pre-Review, you must submit the completed Form 6441 and all exhibits or schedules via Dus Gateway as part of the Pre-Review submission.
- If the Borrower’s ownership structure contains Preferred Equity or Structured Common Equity but does not contain Preferred Equity requiring Pre-Review per Form 6441, the Form 6441 must be submitted as part of the Lender’s Mortgage Loan Delivery Package in Folder II in DUS DocWay.

PREFERRED EQUITY AND STRUCTURED COMMON EQUITY DATA SUBMISSIONS

- For a Mortgage Loan transaction with Preferred Equity or Structured Common Equity in the Borrower’s ownership structure, the Lender must complete fields in the “Deal Detail” section of DUS Gateway. Under the Preferred Equity Type field, the Lender must choose from one of the following three drop-down subcategories:
 - “Hard Preferred Equity”;
 - “Mandatory Preferred Equity”; ~~or~~
 - “Soft Preferred Equity”; ~~or~~
 - Structured Common Equity;
- ~~For a Mortgage Loan transaction with Preferred Equity or Structured Common Equity in the Borrower’s ownership structure, the Lender:~~
- must ensure that any Principals ~~or Key Principals~~ identified under the Preferred Equity investor’s organizational chart as required by Form 6441 are added as “Deal Participants” with “Preferred Equity Investor” as the Participant Role for Preferred



Equity and with “Equity Provider” as the Participant Role if Structured Common Equity; and.

should also identify the investment advisory entity associated with any Principal(s) and/or Key Principal(s) and add the entity as a Principal under “Deal Participants” with “Preferred Equity Investor” as the Participant Role.