Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of November 16, 2026

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Summary of Changes

Primary Audience: Origination, Underwriting, and Asset Management

HIGHLIGHTS
Effective for Mortgage Loans as of November 16, 2026, clarified Borrower Equity Structures in the: • Fannie Mae Equity Checklist (Form 6441), • Preferred Equity Operating Procedures Job Aid, and • 2 Guide glossary terms.

Primary Changes

- Updated the Fannie Mae Equity Checklist (Form 6441) to clarify Borrower Equity Structures.
- Made aligning updates to the:
  - Preferred Equity Operating Procedures Job Aid; and
  - Guide glossary definitions for:
    - Preferred Equity, and
    - Structured Common Equity.

Questions

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

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Preferred Equity

A direct or indirect investment in the Borrower, for which the organizational documents provide that equity investor with:

- an asset management fee or other fee before dividends, distributions, payments, or returns are paid to the investors; or
- preferred or unequal rights to receive dividends, distributions, payments, or returns relative to other equity owners, but excluding:
  - an equity structure in which no equity investor has the right, whether individually or together with its affiliates, to a Forced Sale, a Control Takeover, or to remove any affiliate property manager;
  - an equity investment made solely for the allocation of LIHTCs; or
  - preferred or unequal dividends, distributions, payments, or returns paid to:
    - a REIT ~~Equity Investor~~equity investor from Excess Net Cash Flow; or
    - an equity investor in the form of
      - payments ~~or a~~of promote ~~return~~returns after pari passu payments are made to all equity investors based on a specified minimum internal rate of return or return threshold; or
      - repayment of a protective advance to pay debt service or other amounts due under the Loan Documents, or any other amounts reasonably required for the operation and maintenance of the Property.

Structured Common Equity

Equity interests in the Borrower's organizational structure (not including Preferred Equity) where the investor, whether individually or together with its affiliates, has:

- Forced Sale rights; or
- Control Takeover rights.

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