



Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of June 2, 2026

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

Part III Section 1402 Characteristics	3
GLOSSARY	5



Section 1402 Characteristics

Requirements

Topic	Split Mortgage Loans	Bifurcated Mortgage Loans
Closing	Subordinate Loan closing must occur on, or within 12 months after, the Senior Mortgage Loan closing.	Must occur on the same date.
Loan Amount	Aggregate original principal amounts of the Senior Mortgage Loan and the Subordinate Loan.	Aggregate original principal amounts of the 2 Notes. If any proceeds are based on an IRP, Part III, Chapter 7: Multifamily Affordable Housing Properties applies.
Purpose	Either Acquisition or refinancing.	Either Acquisition or refinancing.
Underwriting	The 2 Mortgage Loans must: <ul style="list-style-type: none"> • not have a combined LTV higher than the maximum standard for a Senior Mortgage Loan; • not have a combined DSCR lower than the minimum standard for a Senior Mortgage Loan; and • be cross-defaulted. 	Must not have a combined: <ul style="list-style-type: none"> • LTV higher than the maximum standard for a Senior Mortgage Loan; and • DSCR lower than the minimum standard for a Senior Mortgage Loan.
Interest Rate Structures	Either a fixed or variable interest rate. If you use a combination of fixed and variable interest rates, you must comply with Part III, Chapter 13: Supplemental Mortgage Loans .	Either a fixed or variable interest rate. If you use a combination of fixed and variable interest rates, each Note must have its own MBS.



Topic	Split Mortgage Loans	Bifurcated Mortgage Loans
Documentation	2 separate sets of Loan Documents: 1 for the Senior Mortgage Loan and 1 for the Subordinate Loan.	1 set of Loan Documents, but evidenced by 2 separate Notes. The Notes must be pari passu.
Securitization	2 separate MBS: 1 for the Senior Mortgage Loan and 1 for the Subordinate Loan. Additional Disclosure per Form 4098 will be required if a partial release of collateral is permitted for either Mortgage Loan.	1 MBS unless multiple Interest Rate Structures. Additional Disclosure per Form 4098 must be required if a partial release of collateral is permitted for either Note.
Hazard Insurance	Coverage based on the combined UPB of the Senior Mortgage Loan and the Subordinate Loan.	Consistent with Senior Mortgage Loans.
Title Insurance	Separate title insurance policies for the Senior Mortgage Loan and Subordinate Loan, in the respective amounts of each loan.	Consistent with Senior Mortgage Loans.
UCC Financing Statements	Filings for both the Senior Mortgage Loan and Subordinate Loan.	Consistent with Senior Mortgage Loans.

Guidance

Topic	Split Mortgage Loans	Bifurcated Mortgage Loans
Maturity Date	2 Mortgage Loans may have different Maturity Dates if the Subordinate Loan is resubordinated per Part III, Chapter 13: Supplemental Mortgage Loans.	2 Notes may have different Maturity Dates and Yield Maintenance Period End Dates.



Glossary

A

Acquisition Any Purchase of either the:

- Property's fee simple or leasehold interest via a deed transfer; or
- Controlling Interest in the Borrower.

Synonyms

Additional Disclosure Information you provide that is published as an addendum to the disclosure documents when an MBS is issued and describes special Security, Mortgage Loan, or Property characteristics or terms that differ from those described in the standard Multifamily MBS Prospectus.

Synonyms

B

Bifurcated Mortgage Loan Single Senior Mortgage Loan that is evidenced by 2 Notes with the same payment and collateral priority.

Synonyms

C

Collateral Property, Personal Property, or other property securing a Mortgage Loan.

D

Debt Service Coverage Ratio On an annual basis or any specified period, the ratio of Net Cash Flow to the total of: principal, interest, and required Mezzanine Financing or Hard Pay Preferred Equity payments.

Synonyms

G



Guide Multifamily Selling and Servicing Guide controlling all Lender and Servicer requirements unless a Lender Contract specifies otherwise.

Synonyms

I

IRP Interest Reduction Payment

Synonyms

L

Loan Documents All Fannie Mae-approved documents evidencing, securing, or guaranteeing the Mortgage Loan.

Synonyms

Loan-to-Value Ratio Ratio of the actual aggregate UPB of the Mortgage Loan, plus any Pre-Existing Mortgage Loans, plus any Hard Pay Preferred Equity, plus any Mezzanine Financing, to the value of the Property, expressed as a percentage.

Synonyms

M

Maturity Date Date all Mortgage Loan amounts become fully due and payable per the Loan Documents.

Synonyms

MBS Mortgage-Backed Security



Mortgage Loan

Mortgage debt obligation evidenced, or when made will be evidenced, by

- the Loan Documents, or
- a mortgage debt obligation with a Fannie Mae credit enhancement.

Synonyms

Multifamily Affordable Housing Property

Property encumbered by a regulatory agreement, land use restriction agreement, extended use agreement, or similar restriction that limits rents that can be charged to tenants, or imposes income limits on tenants.

Synonyms

N

Note

Instrument evidencing a Mortgage Loan obligation, including

- [Form 6010 series](#),
- any other Fannie Mae-approved note, and
- all applicable
 - addenda,
 - schedules, and
 - exhibits.

Synonyms

P

Principal

Person who owns or controls, in the aggregate, directly or indirectly (together with that Person's Immediate Family Members, if an individual), specified interests in the Borrower per [Part I, Chapter 3: Borrower, Guarantor, Key Principals, and Principals, Section 303: Key Principals, Principals, and Guarantors](#).

Synonyms



Property Multifamily residential real estate securing the Mortgage Loan, including the

- fee simple or Leasehold interest,
- Improvements, and
- personal property (per the Uniform Commercial Code).

Synonyms

S

Senior Mortgage Loan Senior loan purchased by Fannie Mae.

Synonyms

Subordinate Loan Multifamily residential real estate loan secured by a Lien against the Property having a lesser priority than the Lien securing another multifamily residential real estate loan on the same Property.

Synonyms

Supplemental Mortgage Loan Mortgage Loan purchased by Fannie Mae that is subordinated to, and has a Mortgage Loan Origination Date after, the Senior Mortgage Loan that is also owned by Fannie Mae.

Synonyms

U

UCC Uniform Commercial Code

UPB Unpaid Principal Balance

Synonyms

Y



Yield Maintenance
Period End Date

Last day on which a Borrower owes yield maintenance
for a voluntary Mortgage Loan prepayment.

Synonyms