



Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of September 8, 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

Part IV Section 702.02 Minimum Conversion Debt Service Ratio 3

GLOSSARY 4



702.02 Minimum Conversion Debt Service Ratio

☒ Requirements

To convert...	You must...
A Mortgage Loan to a fixed rate	Confirm the Minimum Conversion Debt Service Ratio (per the Interest Rate Conversion Agreement) is met.
A Supplemental Mortgage Loan to a fixed rate	Confirm the Minimum Conversion Debt Service Ratio is met using the sum of <ul style="list-style-type: none">• the current annual combined debt service of all Pre-Existing Mortgage Loans (using the maximum interest rate for any variable rate Pre-Existing Mortgage Loan), plus• the annual debt service of the converted fixed rate Supplemental Mortgage Loan.



Glossary

I

Interest Rate Conversion Agreement	Document describing the terms and conditions when a Mortgage Loan interest rate may convert from an adjustable rate to a fixed rate.
------------------------------------	--

M

Mortgage Loan	Mortgage debt obligation evidenced, or when made will be evidenced, by <ul style="list-style-type: none">• the Loan Documents, or• a mortgage debt obligation with a Fannie Mae credit enhancement.
---------------	--

Synonyms

- Mortgage Loans
- Mortgage Loan's

P

Pre-Existing Mortgage Loan	Multifamily residential real estate loan secured by Liens against the Property having higher priority than the Lien securing the Subordinate Loan purchased by Fannie Mae.
----------------------------	--

Synonyms

- Pre-Existing Mortgage Loans

S

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

- Supplemental Mortgage Loans