



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 III Section 1905 Fannie Mae LIHTC Investment in Credit-Enhanced Bonds ..... 3

GLOSSARY ..... 4



## Section 1905

## Fannie Mae LIHTC Investment in Credit-Enhanced Bonds

---

### Guidance

Per Part III, Chapter 7: Multifamily Affordable Housing Properties, Section 710.02: Fannie Mae Credit-Enhanced Tax-Exempt Bond Issuance, Fannie Mae may be a LIHTC investor in the Borrower for a project financed by tax-exempt Bonds that Fannie Mae will also be credit enhancing. To avoid potential adverse tax consequences, if Fannie Mae is a LIHTC investor on a Credit Enhancement Mortgage Loan, Fannie Mae's counsel will prepare the LIHTC agreement among the

- Bond Issuer,
- Borrower, and
- Fannie Mae.

### Requirements

You must determine if Fannie Mae will be a LIHTC investor on a Credit Enhancement Mortgage Loan. If so, you must confirm:

- Fannie Mae does not hold a direct equity interest in the Borrower;
- Fannie Mae's indirect equity interest in the Borrower is less than 50%;
- the IRS documentation filed for the Bond issuance shows that none of the Bond proceeds were applied to pay any portion of Fannie Mae's Credit Enhancement Fee;
- the Bond Issuer, Borrower, and Fannie Mae enter into a LIHTC agreement acknowledging Fannie Mae's equity interest; and
- any LIHTC agreement required notices to the Borrower and Bond Issuer were provided.



# Glossary

## B

**Bonds** Tax-exempt or taxable multifamily revenue bonds, or other tax-exempt or taxable bonds, issued to finance 1 or more Credit Enhancement Mortgage Loan Properties.

### Synonyms

- Bond

**Borrower** Person who is the obligor per the Note.

### Synonyms

- Borrowers
- Borrower's

## C

**Credit Enhancement Fee** Fee due to Fannie Mae for a Credit Enhancement Instrument.

**Credit Enhancement Mortgage Loan** Mortgage Loan financed by a Bond issuance where Fannie Mae provides credit enhancement by

- a Credit Enhancement Instrument, or
- an MBS for Bonds.

### Synonyms

- Credit Enhancement Mortgage Loans

## I



## Issuer

Entity that:

- issues Bonds for a Credit Enhancement Mortgage Loan;
- packages mortgages for sale as a Security for an MBS; or
- issues a Letter of Credit.

## **Synonyms**

- Issuers