



Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of December 1, 2025

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1903.07A Generally

Requirements

Before converting, you must complete the permanent Mortgage Loan final underwriting.

Topic	You must...
DSCR and LTV	Ensure the Property complies with the committed DSCR and LTV.
Eligibility	<p>Ensure:</p> <ul style="list-style-type: none">• The Borrower:<ul style="list-style-type: none">- does not change;- remains eligible; and- still owns the Property.• The Key Principals:<ul style="list-style-type: none">- do not change; and- have not reduced their direct or indirect ownership interest and control over the Borrower or the Property.• There is no material adverse change in the condition, financial or otherwise, of<ul style="list-style-type: none">- the Borrower,- any Guarantor,- any Key Principal, or- the Property.
Construction Loan Status	<p>Ensure the Borrower</p> <ul style="list-style-type: none">• is current on the construction loan payments and not in default, and• has not been delinquent during the previous 12 months.
Certification of Rent Roll	On the permanent Mortgage Loan Origination Date, certify with the Borrower there has been no material adverse change in the Certification of Project Rent Roll.



Topic	You must...
Equity Contributions	As of the permanent Mortgage Loan Delivery, obtain a Borrower certificate, or other Fannie Mae-accepted evidence, that all funds reflected on the Borrower's sources and uses of funds statement were: <ul style="list-style-type: none">• received, including all equity contributions; and• properly invested in the Property.
LIHTC Reservation or Allocation	If the Property is eligible for LIHTCs, verify the Borrower's IRS Form 8609 issued by the state housing finance agency reflects the required LIHTC amount.

➔ Guidance

Fannie Mae may defer the requirement to obtain IRS Form 8609 before conversion based on factors such as whether:

- the Property's financials exceed the pro-forma underwriting per the Forward Commitment;
- all other conversion criteria were met;
- the Borrower certified the Property complies with the LIHTC requirements;
- you and the tax accountant approved the cost certification;
- the Borrower submitted the cost certification to the state, with no anticipated significant adjustments;
- the LIHTC investor contributed at least 90% of their equity, with the remaining 10% withheld for any minor adjustments to the
 - Property tax depreciable basis,
 - adjusters, or
 - developer fee;
- the sources and uses of funds are in balance, and all required funds were received to complete and lease-up the Property;
- you have documentation confirming the IRS Form 8609 application and the state's acknowledgement of receipt;
- you expect to receive the IRS Form 8609 timely post-conversion;
- you will monitor receipt of IRS Form 8609 as a post-closing matter and



deliver a copy to Fannie Mae; and

- the Borrower has experience complying with IRS Form 8609 in the specific state.



Glossary

B

Borrower Person who is the obligor per the Note.

Synonyms

- Borrowers
- Borrower's

D

Delivery Submission of all correct, accurate, and certifiable documents, data, and information with all applicable documents properly completed, executed, and recorded as needed, and any deficiencies resolved to Fannie Mae's satisfaction.

Synonyms

- Deliver
- Delivered
- Deliveries

F

Forward Commitment Commitment to purchase a permanent Mortgage Loan for a to-be constructed or rehabilitated Property.

Synonyms

- Forward Commitment's
- Forward Commitments

G

Guarantor Key Principal or other Person executing a

- Payment Guaranty,
- Non-Recourse Guaranty, or
- any other Mortgage Loan guaranty.

Synonyms

- Guarantors



K

Key Principal

Person who

- controls and/or manages the Borrower or the Property,
- is critical to the successful operation and management of the Borrower and the Property, and/or
- may be required to provide a Guaranty.

Synonyms

- Key Principals
- Key Principal's

M

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

- Mortgage Loans
- Mortgage Loan's

Mortgage Loan Origination Date

Date you fund a Mortgage Loan to the Borrower.

Synonyms

- Mortgage Loan's Origination Date
- Origination Date

P

Project

Multifamily buildings

- on multiple Properties,
- owned by the same Borrower, and
- that comply with [Part II, Chapter 1: Attributes and Characteristics, Section 102.01: Single Borrower Ownership](#).

Synonyms

- Projects



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

- Properties
- Property's