



Fannie Mae®

Multifamily Selling and Servicing Guide

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1402.03B Calculating the Debt Service

Requirements

You must calculate the Supplemental Mortgage Loan amount based on the combined debt service amounts of all Pre-Existing Mortgage Loans plus the Supplemental Mortgage Loan, as outlined in the following tables.

| Pre-Existing Mortgage Loans | |
|------------------------------|--|
| If the Interest Rate Type is | Use an amortizing Debt Service Amount based on the |
| Fixed Rate | Gross Note Rate. |
| Adjustable Rate | <ul style="list-style-type: none">• Delivered Mortgage Loan amount;• amortization term; and• Maximum Note Rate per the applicable Part III Chapters. |

| Supplemental Mortgage Loan | |
|------------------------------|--|
| If the Interest Rate Type is | Use an amortizing Debt Service Amount based on the greater of the Gross Note Rate or the |
| Fixed Rate | applicable Underwriting Interest Rate Floor per Form 4660 . |
| Adjustable Rate | Maximum Note Rate per the applicable Part III Chapters. |



Glossary

F

Form 4660

Multifamily Underwriting Standards identifying Pre-Review Mortgage Loans and containing the underwriting requirements (e.g., debt service coverage ratio, loan to value ratio, interest only, underwriting floors, etc.) for all Mortgage Loans.

Synonyms

- Multifamily Underwriting Standards

G

Gross Note Rate

Interest rate stated in the Loan Documents.

M

Maximum Note Rate

Equals the sum of the:

- minimum Cap Strike Rate as set by Fannie Mae; and
- Mortgage Loan margin equal to the sum of the
 - Investor spread,
 - Guaranty Fee, and
 - Servicing Fee.

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

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