

Multifamily Selling and Servicing Guide

Effective as of September 8, 2025

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1402.04B Eligibility

Requirements

Tier Dropping Eligibility		
If the Pre-Existing Mortgage Loan is	It is eligible for a Tier Dropping Supplemental Mortgage Loan if	
Cash	the combined Pre-Existing Mortgage Loans and Supplemental Mortgage Loan meet the Form 4660 • minimum applicable DSCR for Tier 2 Mortgage Loans, and • maximum applicable LTV for Tier 2 Mortgage Loans.	
MBS	 it was designated as eligible for a Tier Dropping Supplemental Mortgage Loan; and the combined Pre-Existing Mortgage Loans and Supplemental Mortgage Loan meet the Form 4660 minimum applicable DSCR for Tier 2 Mortgage Loans, and maximum applicable LTV for Tier 2 Mortgage 	



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 Μ MBS Mortgage-Backed Security Ρ **Pre-Existing Mortgage** Multifamily residential real estate loan secured by Liens against the Property having higher priority than the Lien Loan securing the Subordinate Loan purchased by Fannie Mae. **Synonyms** • Pre-Existing Mortgage Loans S Supplemental Mortgage Mortgage Loan purchased by Fannie Mae that is subordinated to, and has a Mortgage Loan Origination Loan Date after, the Senior Mortgage Loan that is also owned by Fannie Mae.

Synonyms

Supplemental Mortgage Loans

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Tier Dropping Supplemental Mortgage Loan A Supplemental Mortgage Loan where

the combined Underwritten DSCR of the Supplemental Mortgage Loan and all Pre-Existing Mortgage Loans is below the minimum Underwritten DSCR of the original underwriting Tier of the Senior Mortgage Loan, or
the combined LTV of the Supplemental Mortgage Loan and all Pre-Existing Mortgage Loans is above the maximum LTV of the original underwriting Tier of the Senior Mortgage Loan.

Synonyms

Tier Dropping Supplemental Mortgage Loans