



Guide Update 22-07: Refinance Risk Analysis

Effective: 05/02/22

Retired: 05/15/23

Summary of Changes

HIGHLIGHTS

Effective for Mortgage Loans Committed on or after May 2, 2022, the Refinance Risk Analysis Base Assumptions were updated.

Primary Changes

- Clarified that the Refinance Risk Analysis calculates the Borrower's ability to refinance the Mortgage Loan in the first year after the Maturity Date.
- Updated the Income Growth Rate Base Assumption for Year 2 through the Mortgage Loan term to be either:
 - 2% for a
 - Student Housing Property,
 - Dedicated Student Housing Property,
 - Seniors Housing Property,
 - Multifamily Affordable Housing Property,
 - Structured Transaction, and
 - Mortgage Loan secured by multiple Properties; or
 - for all other Mortgage Loans, use the rent growth published in DUS Gateway for the Property's submarket.
- DUS Gateway's rent growth is based on Fannie Mae's portfolio and more accurately assesses refinance risk by:
 - reflecting current market conditions;
 - considering the cyclical multifamily real estate market; and
 - differentiating market and submarket performance.



Questions

Please contact the Fannie Mae Deal Team with any questions.