Multifamily C&D Release Notes
Version 4.4

October 17, 2012

During the **weekend of November 10, 2012**, Fannie Mae will implement Committing and Delivery (C & D™) Version 4.4, which includes the changes described below.

Highlights

- Announcing the release of Multifamily C&D 4.4 on November 10, 2012.
- Updated instructions for the calculation of Debt Service Coverage Ratio Coverage (DSCR).
- Additions to the Lender Upload Template and Download File.
- Additional new data fields.
- Enhanced business rules.

Introduction

The C&D 4.4 release will implement changes to the instructions for calculating DSCR. The release also incorporates changes to the Upload Template, Lender Download File, and the C&D system to accommodate new fields being added to the Commitment, Property Collateral, and Loan tabs. Additionally, business rules are enhanced to promote data accuracy and reporting.

I. Updated Debt Service Coverage Ratio Instructions

The DSCR Data C&D Instructions for the various DSCR fields on the Loan and Commitment pages have been revised. Note that business rules have been enhanced to now include validations for DSCR as well as monthly payment amounts (Scheduled P&I Payment Per Fannie Mae Participation ($), and Maximum Monthly Payment Per Fannie Mae Participation($)) for Adjustable Rate Mortgage (ARM) and Cooperative loans.

II. Upload Template/Lender Download File Changes

On the Commitment tab, an Additional Debt field has been added and the Prior Liens section has been re-labeled as "Additional Debt". For refinances, the Existing Loan Holder field will include Lender Refinance Type and Other Refinance Type. Additionally, Defeasance Lockout has been added as a prepayment protection type.

On the Property Collateral tab, both Continuum of Care Residential Community Property and Other Senior Units fields have been added. Moreover, a new column labeled Number of Units Exceeding HUD Limit is included to collect data for: Other Senior Units, Independent Living, Assisted Living, and Alzheimers. In addition to seniors housing field updates, Cooperative Equivalent Net Operating Income (NOI) amount is incorporated.

On the Loan tab, Variable Underwriting Rate has been added and should be populated for adjustable rate mortgages that do not contain an interest rate ceiling. Other changes include the re-labeling of an allowable value for the Green Finance field. Furthermore, Partial Interest Only Payment (per

Fannie Mae Participation) has been re-labeled as Maximum Monthly Payment (per Fannie Mae Participation).

Should you run any internal processes to populate the Upload Template and load into the C&D system, please note the template has been revised. Aforementioned enhancements for Defeasance Lockout, Variable Underwriting Rate and Maximum Monthly Payment (per Fannie Mae Participation) will be added to the Lender Download file.

III. Additional New Data Fields

In addition to the Upload Template and Download File field additions mentioned above, the following fields have been added to the C&D system: Defeasance Lockout Term, Defeasance Lockout Start Date, Defeasance Lockout End Date and Additional Debt Maximum Monthly Payment.

IV. New Business Rules

New business rules have been added to ensure accuracy in reporting for ARM loans with respect to Variable Underwriting Rate, DSCR and Cooperative Equivalent NOI. The new business rules are as follows:

1. If Interest Type is Variable and 'Lifetime Maximum Interest Rate (%)' is blank, 0, or greater than 25, the system shall display a fatal-waivable edit that reads, "'Variable Underwriting Rate' is required because the 'Lifetime Maximum Interest Rate' is zero, blank or greater than 25."

2. If Interest Type is Variable and 'Lifetime Maximum Interest Rate (%)' is greater than 0 and less than or equal to 25 and the 'Variable Underwriting Rate (%)' is populated, the system shall display a fatal-waivable edit that reads, "Variable Underwriting Rate must be blank because Lifetime Maximum Interest Rate is less than or equal to 25."

3. If Interest Type is Variable and 'Lifetime Maximum Interest Rate (%)' is blank, 0, or greater than 25, and 'Variable Underwriting Rate (%)' is 0, the system shall display a fatal-waivable edit that reads, "Variable Underwriting Rate must be greater than 0 because Lifetime Maximum Interest Rate is zero, blank, or greater than 25."

4. If 'Interest Type' is Fixed, 'Interest Only?' indicator is No or Yes, 'Property Type' is not Cooperative, 'Additional Debt?' is No, and the values in the fields 'Actual DSCR' and 'DSCR IO/ARM' are not equal, the system shall display a fatal-waivable edit that reads, "The Actual DSCR and DSCR IO/ARM must be the same."

5. If 'Property Type' is Cooperative and the 'Cooperative Equivalent NOI ($)' is not populated, the system shall display a fatal-waivable edit that reads, "Cooperative Equivalent NOI is required because Property Type is Cooperative."

Effective Date

The changes are effective November 10, 2012.

Questions

If you have questions or need more information, please contact:

Sandra Opon, Loan Operations Manager, (202) 752-7118

[Multifamily Acquisitions Mailbox](#)