

# Choice Refinance

Fannie Mae Multifamily offers a streamlined refinance execution for Fannie Mae Portfolio Mortgage Loans in good standing.

## Streamlined Requirements

(All other terms follow the requirements set for newly originated first-lien Mortgage Loans.)

## Benefits

- Flexible refinancing
- Increased Lender delegation
- Lower costs from streamlined underwriting
- Speed in processing and underwriting



## Eligibility

- Existing Fannie Mae Cash or MBS Mortgage Loan
- Lender must be the current Servicer of the Mortgage Loan being refinanced
- Property must be well maintained and stabilized as evidenced by the most recent property inspection
- Existing Mortgage Loan must meet standards related to past monetary and non-monetary defaults as outlined in the Guide
- Small Mortgage Loans and Mortgage Loans secured by Cooperative Properties may have additional eligibility requirements

For More Information contact a Fannie Mae representative or visit the Multifamily Financing Options site for details.

[multifamily.fanniemae.com](https://multifamily.fanniemae.com)

<b>Pre-Review Mortgage Loans</b>	<p>Generally, no Pre-Review is required if the Pre-Review category for the Portfolio Mortgage Loan was previously approved by Fannie Mae.</p> <p>Please see the Multifamily Selling and Servicing Guide and the Multifamily Underwriting Standards (Form 4660) for complete requirements.</p>
<b>Property Documentation</b>	<p>Lender must document rationale in the Transaction Approval Memo.</p>
<b>Borrower Analysis</b>	<p>If the Borrower’s organizational structure has changed, the Lender must review necessary documents to confirm that the new structure meets the current Guide requirements.</p> <p>For the Borrower, and each Key Principal, Guarantor, and Principal, the Lender will report ACheck results, and obtain and review financial statements.</p>
<b>Prepayment Premium</b>	<p>After the expiration of the Yield Maintenance period, the required 1% Prepayment Premium may be reduced in certain circumstances.</p> <p>Prepayment Premium due may be paid from the proceeds of the new Choice Refinance Loan.</p>
<b>Escrows</b>	<p>Replacement Reserve, tax, and insurance escrows are typically required.</p>
<b>Third-Party Reports</b>	<p>A Phase I Environmental Site Assessment is not required if:</p> <ul style="list-style-type: none"> <li>• an Environmental Professional performs an environmental database review and identifies no             <ul style="list-style-type: none"> <li>◦ potential environmental concerns (as defined in ASTM E1528 - Standard Practice for Limited Environmental Due Diligence: Transaction Screen), or</li> <li>◦ adverse conditions requiring further due diligence;</li> </ul> </li> <li>• the Borrower enters into an Environmental Indemnity Agreement (Form 6085); and</li> <li>• you confirm that the Borrower is appropriately implementing any existing O&amp;M Plans for the Property.</li> </ul> <p>New appraisal and title insurance policy will be required.</p> <p>New survey is not required as long as requirements are met; see Part III, Chapter 18 of the Guide for details.</p>
<b>Third-Party Expenses</b>	<p>Origination Fees may be used to pay third-party underwriting report expenses.</p>