CLASS 1.0 and DUS Navigate Training

2019

The information in this presentation constitutes Fannie Mae confidential and proprietary information, and is provided for training purposes only. Please do not share it with anyone outside your organization.
Development Objective

1. CLASS is an acronym for “Credit and Legal Alignment and Simplified Securitization”, which recognizes the essential partnership between prudent underwriting and the supporting legal framework in achieving delegation with effective risk management.

2. The CLASS project is an initiative to overhaul the DUS infrastructure – Lender Contract, Guide, 4660, representations and warranties, and lender default remedies.

3. To develop an enhanced and user-friendly guide interface that will empower our customers to embrace delegation by providing them with clarity, transparency, and certainty regarding Requirements, Guidance, and Operating Procedures.
DUS Infrastructure

- Rep and Warrant Model
- Lender Contracts
- Selling and Servicing Guide
- 4660 (Underwriting Standards)
Our contracts stipulate the delegation given when underwriting a loan.

Our lender contracts go hand in hand with our rep and warrant model.

In rewriting the guide, we made it SIMPLE, CERTAIN, and FAST.

Aligning contracts and underwriting standards.

4660
Cultural Shift…..

“I have a much better understanding of what is required when underwriting my transactions.”

“In areas of “guidance,” I have much more freedom to tailor underwriting to the characteristics of my deal.”

“I will evaluate the deal based on my experience and Fannie Mae will respect my expertise.”
Guide Rewrite Objective
To simplify and restructure the Multifamily Selling and Servicing Guide to maximize the power of Lender Delegation and to deliver an improved customer experience
Concerns with Waivers slowing down the Deal Process

- Guide is voluminous and difficult to navigate
- Guide content leaves too much for interpretation
- Lender relationships governed by multiple contracts and agreements
- Current reps and warranties make the entire Guide a “requirement”
Our Solution

To re-write the Multifamily Selling and Servicing Guide, Underwriting Standards (Form 4660), and Contracts
Contract Representations and Warranties

**Loan-Level Reps**
- Still set forth in the Guide
- Remedies (limited) are in the Multifamily Selling and Servicing Contract (MSSC)

**Lender-Level Reps**
- No longer in Part II of the Guide
- Included in the contract documents
  - MSSC
  - Program Rules
  - Master Loss Sharing Addendum
Guide Simplification and Restructuring

Defined Underwriting Requirements

Developed Best Practices Guidance

Created Operating Procedures

Used Straightforward Language

Guide Parts IV and V are in process of being rewritten and will be rolled out in 2020.
“Simple”
Guide Before and After

Section 403. Key Principals and Principals (07/15/16)

Section 403.01. General
For each Mortgage Loan, the Lender must identify all Key Principals and Principals of the Borrower. At least 1 Key Principal must have an ownership interest in the Borrower. Any Key Principal that provides a Guarantee of the Mortgage Loan must be a non-foreign person or entity.

Section 403.02. Entity Key Principals
Entity Key Principals are permitted. An acceptable entity Key Principal must have an established track record of successful business performance and sufficient financial strength. Any Key Principal entity assuming liability under a Guarantee must be:
- an existing entity (e.g., a corporation, limited liability company, limited liability partnership, or other acceptable structure) that is not newly formed;
- a well-capitalized, stable, on-going business concern that would be expected to:
  - continue to remain financially healthy;
  - be able to support the Property; and
  - meet all Key Principal requirements and obligations under the Guaranty over the term of the Mortgage Loan, with an expectation that the entity’s assets and net worth should be significantly in excess of what would be minimally acceptable for an individual Key Principal; and
- the type of business that, except for assets specifically pledged or committed to other liabilities, would make it unlikely that other assets would be alienated off for use by other entities, transferred, sold, or otherwise disposed of in order to avoid meeting Key Principal obligations.

Section 403.03. Fund Key Principals
For any Fund Key Principal or Fund Principal, the Lender must review the relevant organizational documents and private placement memorandum, if applicable, to ascertain:
- the entity’s expiration date;
- whether any extension to the entity’s existence is provided and, if any such extension provisions exist, the conditions to approving the extension; and
- the process for winding up the business affairs of the entity, including whether or not the Fund is organized in a state that requires the orderly dissolution of investment funds, such as Delaware or Illinois.

Section 303. Key Principals, Principals, and Guarantors

303.01 Entity Review
Guidance
When you review an entity, consider the following questions:
- Is it an existing entity (e.g., a corporation, limited liability company, limited liability partnership, or other acceptable structure) that is not newly formed?
- Is it a well-capitalized, stable, on-going business concern that would be expected to:
  - remain financially healthy?
  - support the Property?
  - meet all Guarantor requirements and obligations under the Guaranty?
- Have assets and net worth that are greater than what would be minimally acceptable for an individual Key Principal?

303.02 Fund
Guidance
When you review a fund, consider the following questions:
- What is the performance and experience history of the fund manager with similar funds?
- Can the fund raise equity from financially substantial investors?
- What is the performance of the fund?
- What is the leverage level of the fund?
- What is the net worth and liquidity of the fund?
“Certain”
Guide Before and After

Section 309. Certificates of Occupancy (06/03/13)

Section 309.01. Certificates of Occupancy – Recently Completed Properties

Fannie Mae requires that all units in any Recently Completed Property have a Certificate of Occupancy issued by the applicable governmental authority. The Lender must obtain copies of all Certificates of Occupancy from the Borrower and retain them in its Servicing File.

Section 309.02. Certificates of Occupancy Previously Issued

Fannie Mae requires that all units in non-Recently Completed Properties have had at some point in time a Certificate of Occupancy issued by the applicable governmental authority. The Lender must use all reasonable efforts to obtain copies of all Certificates of Occupancy. If the Lender cannot obtain copies of all Certificates of Occupancy or other sufficient evidence that Certificates of Occupancy for all units in the Property have been issued because of the age of the Property or other reasonable cause, the Lender must use its judgment whether to proceed with the transaction and evidence its reason for proceeding in the Lender’s Transaction Approval Memo.

Section 309.03. Certificates of Occupancy Never Issued

For units that have never been issued a Certificate of Occupancy, Fannie Mae will consider a waiver of the Certificate of Occupancy requirement so long as the Lender has considered the following:

- the number of units without a Certificate of Occupancy must be limited (i.e., less than 10 and less than 5% of the total units in the Property);
- based on a physical inspection performed by the Lender, there must be no life safety issues associated with the units;
- the units must be accessible through normal access routes (i.e., no units that are former janitorial closets);
- the units must contain bathrooms and kitchen facilities;
- the Lender must underwrite the Mortgage Loan by excluding the income generated by the units without a Certificate of Occupancy and including all of the expenses (including replacement reserves) for the maintenance of such units;

SECTION 105 Certificates of Occupancy

☑ Requirements

For any Recently Completed Property, you must:

- ensure that all units have a certificate of occupancy;
- obtain copies of all certificates of occupancy from the Borrower; and
- retain them in your Servicing File.

For all other Properties, you must:

- determine whether each unit had a certificate of occupancy at some point;
- attempt to obtain copies of all certificates of occupancy; and
- retain them in your Servicing File.

วก Guidance

If you are unable to obtain copies of certificates of occupancy for a Property (for example, because of the age of the Property or the records of the jurisdiction where it is located), you should look for other evidence that certificates of occupancy had been issued.

If you cannot obtain a copy or other sufficient evidence of a certificate of occupancy, you should analyze the risk to the Property if one had never been issued, by considering whether:

- your physical inspection reveals any life safety issues;
- all units are accessible through normal access routes (and not, for example, through a former janitorial closet);
- the insurance excludes coverage of a casualty originating from a unit without a certificate of occupancy; and
- the Property is located in a market that exhibits low vacancies and barriers to entry.

You should exclude the income generated by any units without a certificate of occupancy but include all expenses (including replacement reserves) for the maintenance of such units.
Guide Section Before

Section 402.02. Co-Tenant Borrowers
A. Eligibility

A Co-Tenant Borrower may be an eligible Borrower if:
- no more than 5 co-tenants comprise the Co-Tenant Borrower;
- each co-tenant jointly and severally executes the Loan Documents;
- no co-tenant is an individual; and
- each co-tenant is a single asset entity satisfying the requirements of Section 402.01 of this Chapter.

Guide Section After

302.02 Co-Tenant Borrowers

☑ Requirements
You must ensure that any Co-Tenant Borrower meets these eligibility requirements:
- the Co-Tenant Borrower has no more than 10 co-tenants;
- no co-tenant is an individual;
- each co-tenant is a single-asset entity complying with Section 302.01 of this Chapter; and
- each co-tenant has jointly and severally executed the Loan Documents.
Before and After Examples
Exit Refi Test

Section 312. Analysis of Refinance Risk (07/15/16)
The ability to refinance a Mortgage Loan is critical to Fannie Mae. The Lender must consider the Underwritten NCF and all objective and subjective measures to determine the expected refinancer conditions. All refinancer risk assumptions must be clearly demonstrated and supported in the Transaction Approved Memo, including:

- income growth rate;
- expense growth rate;
- capitalization rate at the Mortgage Loan Maturity Date;
- projected DSCR at the Mortgage Loan Maturity Date;
- projected LTV at the Mortgage Loan Maturity Date;

The transaction’s Refinance Interest Rate; and
unpaid principal balance at the Mortgage Loan Maturity Date.

SECTION 203
Refinance Risk Analysis

Requirements

You must:

- Analyze the ability of the Borrower to refinance the Mortgage Loan.
- Calculate the following:
  - a “reversion” cap rate, which is the expected capitalization rate that could be supported based on the projected NCF for the first year following the Mortgage Loan Maturity Date (for example, using the projected NCF in year 11 for a 10-year loan term); and
  - a Refinance Interest Rate, which is the maximum interest rate that could be supported based on the UPIB required DSCR and projected NCF for the first year following the Mortgage Loan Maturity Date.
Before and After Examples

Peak Ground Acceleration

Section 321
Seismic Risk Assessment (08/29/17)

Section 321.01 Seismic Hazard and Risk Factors

A. Seismic Hazard

Any property located in a zone having a High Seismic Risk must be evaluated for Structural Risk Factors. An area on a specific site has a High Seismic Risk if it is defined by the most recent (in the last 72 hours) historical earthquake energy greater than 0.45g (a 5% probability of exceedance in 72 hours) or if it is defined by the most recent historical earthquake energy greater than 0.50g (a 1% probability of exceedance in 72 hours). The most recent historical earthquake energy greater than 0.50g (a 1% probability of exceedance in 72 hours) or if it is defined by the most recent historical earthquake energy greater than 0.50g (a 1% probability of exceedance in 72 hours). The most recent historical earthquake energy greater than 0.50g (a 1% probability of exceedance in 72 hours) or if it is defined by the most recent historical earthquake energy greater than 0.50g (a 1% probability of exceedance in 72 hours).

B. Structural Risk Factors

For a property on a site having a High Seismic Risk, the Lender must identify Structural Risk Factors by completing Appendix C — Structural Risk Evaluation Questionnaire (Form 4099-C) in the instructions for Performing a Multi-family Property Condition Assessment. A Structural Risk Factor means one of more of the Risk Factors present in Sections 321.01.1 or 1.2. A structural risk factor is present when the property on a site having a High Seismic Risk, the Lender must also perform a Seismic Risk Assessment.

C. Ineligible Structural Risk Factors

A Mortgage Loan is not eligible for purchase by Fannie Mae if it is secured by a property (i) with a PGA equal to or greater than 0.75g, and (ii) having one or more of the following specific Structural Risk Factors:

- Transient or temporary buildings not subject to setback requirements;
- Masonry buildings with no seismic retrofit or
- Improvements constructed on lots with a slope exceeding 30 degrees

Section 321.02 Seismic Risk Assessment Requirements

A. ASTM Seismic Risk Assessment

A Seismic Risk Assessment is required for any Mortgage Loan secured by a property having a High Seismic Risk, and including any Structural Risk Factor.

The Seismic Risk Assessment must be done not more than 12 months prior to the Commitment Date, and must be prepared by a Level 1 investigator in accordance with current seismic standards published by the American Society for Testing and Materials (ASTM), as issued from time to time. The current applicable standards are:

- ASTM E255-16 “Standard Guide for Seismic Risk Assessment of Buildings”, which requires the least rigorous for each improvement on the property, and a total aggregate least estimation of the entire property; and
- ASTM E995-16 “Standard Practice for Probable Maximum Loss (PML) Evaluations for Seismic-Dissipation Assessments”.

The least estimations examined in the Seismic Risk Assessment must include both the Seismic Design Loads (SDE) and the Seismic Design Loads (SDE). The Seismic Risk Assessment must also state whether or not any building is not subject to any condition, and under what condition. The SDE, SDE, building stability, and use value conclusions must be determined using the 50% or 90% exceedance probability (the 95% per year return period).

B. Professional Qualifications

Any Seismic Risk Assessment done on or prior to June 30, 2018, must have the field investigation performed by a professional that meets the Field Assessor qualifications in the ASTM Standard. For any Seismic Risk Assessment done on or prior to June 30, 2018, the field investigation Assessment may be performed by a professional that meets the Field Assessor qualifications in the ASTM Standard or by the Property Condition Assessment (PCA) Consultant or Field Observer as long as that professional:

- has 2 years of experience performing seismic risk assessments of buildings;
- meets the PCA Consultant or Field Observer qualifications in Form 4099-C: Instructions for Performing a Multi-Family Property Condition Assessment.

Seismic Hazard and Risk Factors

Any seismic risk impacting the Property should be understood before the Commitment Date. Seismic risk is assessed by analyzing the PGA at the location of the Property.

After purchase of the Mortgage Loan, no additional seismic risk evaluation is required.

Requirements

Each Property must have an acceptable level of seismic risk.

A Mortgage Loan is ineligible for purchase if the Property has:

- a PGA equal to or greater than 0.15g, and
- 1 of these Structural Risk Factors:
  - an unreinforced masonry building that has not been seismically retrofitted, or
  - a building constructed on a slope with an angle exceeding 30 degrees (a 50% slope).

If the Property is located in a High Seismic Risk area, you must complete Form 4099-C. If a Structural Risk Factor is present, you must also obtain a Seismic Risk Assessment (SRA).
Aligned Form 4660 with New Guide

New Guide
Form 4660
Eliminated many of the Pre-Review categories that are now covered in the Guide

New Guide
Form 4660
Expanded delegation for certain Tier 3 and Tier 4 Pre-Review categories

New Guide
Form 4660
Added a category to capture variances to Guide Requirements
New 4660 Pre-Review Category

Designed to capture those items that are now “requirements” in the guide

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<thead>
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<th>Guide Requirements and Underwriting Standards</th>
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<td>Any Mortgage Loan that does not meet all Requirements in Parts I, II, and III of the Guide unless it is a Tier 3 or Tier 4 Mortgage Loan and the non-compliant Requirements are for:</td>
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<tr>
<td>• Co-Tenant Borrowers;</td>
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<td>• Minimum Occupancy;</td>
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<td>• Phased Properties;</td>
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<td>• Eligible Property Characteristics per Part III, Section 103.01 for a Dedicated Student Housing Property;</td>
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<td>• Non-Cooperative Moderate Rehabilitation Property that has Rehabilitation Work costing more than $20,000 per unit; or</td>
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<td>• Underwritten NCF, except the following:</td>
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<td>o Gross Potential Rent,</td>
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<td>o physical vacancy,</td>
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<td>o concessions,</td>
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<td>o bad debt,</td>
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<td>o commercial income/vacancy,</td>
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<td>o recreational vehicle income, or</td>
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<td>o real estate taxes.</td>
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Aligned Simplified Lender Contract with Guide Requirements

Lenders report to fewer and more clearly defined Requirements

New Guide targets remedies to the risk of non-compliance
Changing the Culture
Helping to Change the Culture

- Focus on the risk of the deal
- Use the DUS Navigate first to obtain loan underwriting information
- Share your perspective in the Transaction Approval Memo as to how risk was mitigated
- Use your delegated authority and make deal decisions meeting loan Requirements
The Three Components of the New Guide

1. “Guide Requirements”: Mandatory conditions that must be satisfied for all Mortgage Loans and activities.
   • If your deal does not meet the outlined requirements that apply to your deal, then this means it is “PRE-REVIEW”.
   • Therefore, all deals that do not meet the requirements need to be submitted to Fannie Mae as outlined in your specific lender contracts.
The Three Components of the New Guide

2. “Guidance”: Best Practices to inform and support a Lender’s delegated analysis and decision making.
   • If you meet the requirements, but not the guidance, then your deal is NOT “PRE-REVIEW”.
   • If you deviate from the guidance on delegated deals, then you will need to support why you are comfortable with not following the guidance.
3. "Operating Procedures": Required steps or processes that must be followed.
   - These will never be pre-review.
   - For example, an operating procedure would be how to enter a deal into DUS Gateway or how to run ACheck.
Loan Surveillance and the New Guide

- Confirm lenders are meeting Requirements
- Ensure clear understanding of Guidance both internally and externally
- Provide ongoing feedback both internally and externally on approach to guidance for improvement
Lender Contracts
New Lender Contract: What’s new and what’s not?

- All requirements for underwriting, delivering and servicing Loans are now in the Guide and Form 4660
- Lender requirements are in the MSSA and Program Rules
- Updates on Outsourcing and Offshoring
- No changes to Loss Sharing
- Clear delineation between loan-level breach remedies and lender-level default remedies
New Lender Contract: Alignment with Guide

• Corrective Actions if Lender does not:
  • Act prudently and explain deviations from Guidance
  • Comply with Operating Procedures

• Examples of Corrective Actions:
  • Training
  • Requiring Pre-Review

• Repurchase remedy limited
New Guide and Lender Contract: Timing

• Guide timing:
  • New Guide published by end of May
  • Effective for loans registered in DUS Gateway® after August 1

• Contract timing:
  • Final Contract templates sent to Lenders in early April
  • Signed when new Guide published
  • Effective with implementation of new Guide
Steps to Help You Optimize Delegation

Guide
Study the Guide to understand the new structure and content

Training
Sign-up for as many trainings as possible on the Guide Tool and Philosophy

Patience
Be patient – changing culture takes time

Calibration
Calibrate underwriting approach with Fannie Mae
DUS Navigate
DUS Navigate Objectives

This training will provide you with the procedures to effectively utilize the CLASS DUS Navigate tool. DUS Navigate will provide an automated and efficient solution to access Guide-related documentation. The new portal will be visually appealing and offer a user-friendly alternative to AllRegs.
The Guide rewrite and new DUS Navigate is designed to enhance **simple**, **certain**, and **fast** executions!

- Easier to read and navigate the Guide
- Less reliance on Fannie Mae for deal consultations over time
- Greater certainty of delivery by knowing explicit requirements
- Faster deal submission process for screeners
Welcome to DUS Navigate™

Your one-stop portal for Fannie Mae’s Multifamily Selling and Servicing Guide, resources, Form 4660, and more.
Ability to:
• Print/Download Guide
  • The entire Guide will be printed
• 4660 (Will only be seen using login credentials)

Access the carousel to view:
• Important Fannie Mae announcements/notices
• Industry news
• Guide-related announcements
The User can access links to: (separate tab will open)

- Guide
  - The entire Guide can be viewed
- Forms
  - Current Guide Forms within Fanniemae.com
- Loan Documents
  - Loan Documents within Fanniemae.com
Access the Recent Guide Communications section to link to:

- Recent Publications
  - Publication Topics
  - Publication Name
  - Effective Dates
- Lender Memos
  - All memos within Fanniemae.com (will open in separate window)
- Lender Letters
  - All letters within Fanniemae.com (will open in separate window)

### Recent Guide Communications

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- Lender Memos
  - SEE ALL
- Lender Letters
  - SEE ALL
Access the Guide Organization to easily navigate to:
• Parts of the Guide
• Print/Download, Email, and Related Documents

Guide Organization

Part I
Mortgage Loan

Part II
Property

Part III
Products and Features

Part IV A
Mortgage Loan Commitment, Delivery and Purchase Procedures

Part IV B
Mortgage Loan Commitment, Delivery, and Purchase Procedures for Special Product Features and Executions

Part V
Servicing and Asset Management

Appendix
Glossary

An overview of how to use the Guide and information relevant to all Mortgage Loans, Borrowers, Key Principals, and Principals.
Selecting a Part from the Guide Organization Section

The user can select which Part of the DUS Navigate they wish to view from the Guide Organization Section on the Home Page.
Interpreting the Guide provides explanation regarding:
- Requirements
- Guidance
- Operating Procedures

Interpreting the Guide

**Requirements**
Mandatory conditions that must be satisfied for all Lender-delegated Mortgage Loans and activities.

**Guidance**
Best practice guidance to inform and support a Lender's delegated analysis and decision-making.

**Operating Procedures**
Required steps or processes that must be followed.
Welcome to DUS Navigate™

Your one-stop portal for Fannie Mae’s Multifamily Selling and Servicing Guide, resources, Form 4660, and more.
Using the Search Guide feature at the top of the home page will assist you with navigating to specific areas of the Guide.

- The interactive suggestive search feature will provide topics as you start typing:
  - Chapter name
  - Section
  - Relevant key word(s)
Example of Search Functionality

Parts of Guide
- All Parts
- PART I: Mortgage Loan
- PART II: Property
- PART III: Products and Features
- PART IV: Mortgage Loan Commitment, Delivery and Purchase Procedures
- PART IV A: Mortgage Loan Commitment, Delivery, and Purchase Procedures for Special Product Features and Executions
- PART V: Servicing and Asset Management
- PART VII: [GEN] Part 508873826c

Products & Features
- All
- Student Housing Properties
- Military Housing Properties
- Moderate Rehabilitation Mortgage Loans
- Green Mortgage Loans
- Seniors Housing Properties
- Manufactured Housing Communities
- Multifamily Affordable Housing Properties

Showing 1 - 10 out of 140 results
You can filter your search results by the Parts of the Guide, as well as specific Products and Features.
The search results will automatically default to 10 results, but you have the option of viewing:

- 10
- 20
- 50
- 100
- All Results
After selecting the desired Part, you can select the “+” sign to expand to show the:
• Chapters
• Sections
• and Sub-sections (if applicable)
Each Section of the Guide will provide you with: (where applicable)

- Requirements
- Guidance
- Operating Procedures

**Requirements**

For Green Rewards Mortgage Loans, you must:

- retain a consultant to provide either:
  - a High Performance Building (HPB) module (HPB Module), including Appendix H: HPB Module Report Tables (Form 4099.H), as part of a required PCA; or
  - a standalone HPB report (HPB Report), including Form 4099.H; and
  - complete the HPB Module or HPB Report and Form 4099.H per the requirements of Instructions for Performing a Multifamily Property Condition Assessment (Form 4099).

**Guidance**

Fannie Mae will reimburse you for the cost of the HPB Module or HPB Report when you deliver a Green Mortgage Loan.

Notwithstanding the general prohibition in Part IV A: Mortgage Loan Commitment, Delivery and Purchase Procedures, Section 202.01 regarding a Lender paying third-party costs, you may use the Origination Fee to reimburse the Borrower for:

- the cost of a standalone HPB Report, or
- the incremental cost of the HPB Module over the cost of the base PCA.

**Operating Procedures**

To submit the invoice for the HPB Module or HPB Report for reimbursement, use the Job Aid “How To: Register, Quote, Close, and Deliver a Green Mortgage Loan.”
Hover over key terminology

Hovering the cursor over an italicized word within the DUS Navigate will enable the defined term to appear.

Example:

Property

Multifamily residential property securing the Mortgage Loan and including the land (or Leasehold interest in land), improvements, and personal property (as defined in the Uniform Commercial Code).

An in-policy extension is property added, which is most common for an acquisition. An existing policy is most common for a refinance or when the Property is added to a policy that the Borrower already has in force.
Property

Multifamily residential property securing the Mortgage Loan and including the land (or Leasehold interest in land), Improvements, and personal property (as defined in the Uniform Commercial Code).

An existing policy is most common for a refinance or when the Property is added to a policy that the Borrower already has in force.
Related Documents

Accessing Related Documents from the Chapter Level
- Related Documents can only be viewed at the chapter level; regardless of which Related Documents icon you click on, you will be directed to the same list of Related Documents for that Chapter

Part I
Mortgage Loan
Accessing Related Documents from the Chapter Level

- Related Documents can only be viewed at the chapter level; regardless of which Related Documents icon you click on, you will be directed to the same list of Related Documents for that Chapter

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<td>Section 204.01: Generally</td>
<td>Letter of Credit and Sight Draft</td>
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<td>Section 204.01: Generally</td>
<td>Letter of Credit Certification Form</td>
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<tr>
<td>Section 305: Multifamily Underwriting Certificate</td>
<td>Multifamily Underwriting Certificate (Key Principal/Principal)</td>
<td>Form 6460.Key Principal</td>
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<tr>
<td>Section 305: Multifamily Underwriting Certificate</td>
<td>Multifamily Underwriting Certificate (Guarantor)</td>
<td>Form 6460.Guarantor</td>
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<td>Section 305: Multifamily Underwriting Certificate</td>
<td>Multifamily Underwriting Certificate (Borrower) (Maryland IDOT)</td>
<td>Form 6460.IDOT.Borrower</td>
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<td>Multifamily Underwriting Certificate (IDOT Guarantor) (Maryland IDOT)</td>
<td>Form 6460.IDOT.IDOT.Guarantor</td>
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<td>Form 6460 Series</td>
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<td>Section 306: Fraudulent Conveyance</td>
<td>Form 6460 Series</td>
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</table>
Using My Profile for Lender Dashboard and Bookmarking

The user can bookmark **Parts, Chapters, Section, and Sub-sections** to view on their Lender Dashboard under My Profile for Favorites, Search History, and Default Search Preferences.
You are able to access key glossary terms by selecting the **first** letter of the glossary term.

**A**

- **Achievement Agreement**: Agreement requiring the **Borrower** to provide a letter of credit, cash, or guaranty as additional collateral to support the **Mortgage Loan** amount and specifying the terms for releasing the collateral.

- **Achievement Letter of Credit**: **Letter of Credit** that is released as collateral when a certain event occurs or a requirement is met (e.g., completion of construction or minimum occupancy or EDP level reached).

- **Action Plan**: **Servicer’s** report to Fannie Mae including detailed analysis of **Mortgage Loan** and **Property** issues, **Servicer’s** strategy for resolving issues, and related actions and outcomes.

- **Activities of Daily Living**: For **Senior Housing Properties**, support for medication management and assistance with bathing, dressing, toileting, ambulating, eating, and other similar activities.

- **Activity Fee**: For **Bond Credit Enhancements**, see Part XV of the **DUS Guide**.

- **Actual Cooperative Property Basis**: Financial analysis or valuation of a **Cooperative Property** conducted based on its actual operating performance.

- **Actual Losses**: Net dollar amount of the loss on a **Mortgage Loan** as calculated on the Multifamily Loss Notification Form and approved by Fannie Mae.
Additional Navigation Tips and Tricks

Within the DUS Navigate application, you can select “DUS Navigate” and it will redirect you back to the Home Page.
Additional Navigation Tips and Tricks

Selecting Fannie Mae, will open a separate tab to the Fannie Mae Multifamily Home Page
Additional Navigation Tips and Tricks

After navigating to your selected Part of DUS Navigate, you have the ability to “Hide Menu” in order to increase your view of the selected Part.
NEW CLASS 1.0 Timeline
Timeline

Registered before July 31

Deals registered in Gateway prior to July 31 will see the “current” Guide drop downs and must be delivered by December 2019

Registered after August 1

Deals registered in Gateway after August 1 will see the “new” Guide drop downs
DUS Gateway Impacts
# New Dropdown(s) in DUS Gateway

<table>
<thead>
<tr>
<th>Category</th>
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<tbody>
<tr>
<td>Pre-review (4660)</td>
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<td>Pre-Review (Guide Requirements)</td>
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<td>Pricing/Fees</td>
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<td>Insurance</td>
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<td>Waiver (Other)</td>
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<td>Category</td>
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<td>Pre-Review (Guide Requirements)*</td>
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<td>Products &amp; Features</td>
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<td>Environmental</td>
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<td>Other</td>
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*Red = New Category, Sub-Category or Descriptor
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<th>Category</th>
<th>Sub-Category</th>
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<td>Cancellation Notices</td>
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<td>Risk Retention Groups/Captives</td>
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<td>Seismic Risk Assessment</td>
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<td>Workers’ Compensation</td>
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# Category – Waiver (Other)

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<th>Category</th>
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<td><strong>Waiver (Other)</strong></td>
<td>Lender</td>
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<td>Modified Loss Sharing</td>
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<td>Below Loss Sharing Grid</td>
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<td><strong>Guide (Part IVA &amp; Part IVB)</strong></td>
<td><em>Use “Other Comments” for Description</em></td>
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Example - Before and After

Current DUS Gateway Screen

Post August 1st DUS Gateway Screen
Updated “Structured” Dropdown
Additional Resources
DUS DocWay access to DUS Navigate

Welcome to the Fannie Mae Document Exchange Workspace. This workspace has been specifically tailored for you with direct access to

To manage Loan Documents, click on the 'Loan Documents' workspace.

To manage Non Loan Documents, click on the 'Non Loan Documents' workspace.

To see a list of all available workspaces, launch the Workspace gallery next to the Workspace name.

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## Old to New Guide Mapping

<table>
<thead>
<tr>
<th>Old Part</th>
<th>Old Chapter</th>
<th>New Part</th>
<th>New Chapter</th>
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<tbody>
<tr>
<td><strong>I - Glossary</strong></td>
<td>Glossary</td>
<td>Appendix</td>
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<td>1 - Basic Lender Eligibility Requirements</td>
<td>Moved to Lender Contract or Program Rules</td>
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<td>2 - Application Process</td>
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<td>3 - Lender and Fannie Mae Contractual Provisions</td>
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<td>4 - Maintaining Financial Eligibility</td>
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<td>6 - Loss Sharing and the Appraisal Process Following a Foreclosure Event</td>
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<td>7 - Monitoring of Lender Performance</td>
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<td>8 - Remedies</td>
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<td><strong>II - Lender Contractual Relationship</strong></td>
<td>1 - The Lender</td>
<td>1 - Mortgage Loan</td>
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<td>2 - The Mortgage Loan</td>
<td>2 - Attributes and Characteristics NEW</td>
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<td>3 - The Property</td>
<td>2 - Valuation and Income NEW</td>
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<td>4 - The Borrower, Key Principals, and Principals</td>
<td>3 - Legal Compliance NEW</td>
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<td>4 - Inspections and Reserves NEW</td>
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<td>5 - Property and Liability Insurance NEW</td>
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<td><strong>IIA - Base Underwriting Requirements</strong></td>
<td>1 - Student Housing Properties</td>
<td>1 - Mortgage Loan Retired</td>
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<td>2 - Property Dependent on Military Base</td>
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<td>3 - Moderate Rehabilitation Properties</td>
<td>3 - Borrower, Guarantor, Key Principals, and Principals</td>
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<td>6 - Manufactured Housing Communities</td>
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<td><strong>IIIB - Underwriting For Special Asset Classes</strong></td>
<td>8 - Cooperative Properties</td>
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<td>10 - Micro Loans</td>
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<td>11 - Green Mortgage Loans</td>
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IIIC - Underwriting For Special Product Features or Executions

1 - Interest-Only Mortgage Loans
2 - Subordinate Financing
3 - Refinancing Portfolio Mortgage Loans
4 - Interest Rate Hedges
5 - Adjustable Rate Mortgage Loans
6 - Structured ARM Loans
7 - Fixed +1 Mortgage Loans
8 - Single Asset Substitution
9 - Discount Mortgage-Backed Securities
10 - Mezzanine Financing and Preferred Equity
11 - Multiple Asset Transactions
12 - Hybrid Adjustable Rate Mortgage Loans

IVA - Mortgage Loan Commitment, Delivery, and Purchase Procedures

1 - General Mortgage Loan Purchase Requirements
2 - Pricing, Origination Fees, and Prepayment Premium Incentives
3 - Committing
4 - Delivery Procedures - Data
5 - Delivery Procedures - Documents
6 - Purchase Procedures
7 - Defaults and Remedies

IVB - Mortgage Loan Commitment, Delivery, and Purchase Procedures for Special Product Features and Executions

1 - Early Rate Lock
2 - Streamlined Rate Lock
3 - Structured Transactions
4 - Discount Mortgage-Backed Securities

V - Servicing and Asset Management

1 - General Servicing Requirements, and Servicing for Loan Documents and Specialty Products
2 - Reporting and Remitting
3 - Custodial Account Requirements
4 - Asset Management: Loan Document Administration
5 - Asset Management: Surveillance
6 - Watchlist Management
7 - Non-Performing Mortgage Loans
8 - In Place Loans

New Part

III - Products and Features

RENAMED
14 - Supplemental Mortgage Loans
18 - Choice Refinance Loans

Deleted

III - Products and Features

RENAMED
11 - Adjustable Rate Mortgage (ARM) Loans
12 - Structured Adjustable Rate Mortgage (SARM) Loans

Retired

III - Products and Features

RENAMED
16 - Mezzanine Financing and Preferred Equity
17 - Structured Transactions

Moved to Lender Contract

IVB - Mortgage Loan Commitment, Delivery, and Purchase Procedures for Special Product Features and Executions

1 - Early Rate Lock
2 - Streamlined Rate Lock
3 - Structured Transactions

Retired

V - Servicing and Asset Management

1 - General Servicing Requirements, and Servicing for Loan Documents and Specialty Products
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Thank you