



Multifamily Mortgage Business Guide Update 18-03

May 7, 2018

To: Multifamily Lenders

From: Rob Walton, Vice President for Debt & Equity Asset Management, Multifamily Credit Risk Management
Larry LaGrone, Vice President for Loss Mitigation, Multifamily Credit Risk Management

Subject: Guide Update Memo 18-03 | Changes to Mortgage Loan Rating Classifications and Servicer Watchlist Submissions

HIGHLIGHTS

Effective May 14, 2018, Fannie Mae is updating Part V, Chapter 6 – Watchlist Management, of the Multifamily Selling and Servicing Guide (“Guide”) to:

- clarify that Mortgage Loans that would otherwise be identified as Pass Watch Mortgage Loans are not eligible for identification as Special Mention; and
- remove from the definition of a Mortgage Loan identified as Special Mention the existence of unanticipated deferred maintenance at the Property requiring attention by the Borrower.

Changes

Fannie Mae is clarifying the definitions of Mortgage Loans identified as Pass Watch and rated as Special Mention. The Mortgage Loans identified as Special Mention must only be Mortgage Loans that would otherwise be identified as Pass. Additionally, Mortgage Loans with unanticipated deferred maintenance at the Property requiring attention by the Borrower are no longer identified as Special Mention.

Please see the actual Guide chapter for full details and other minor editorial changes.

Effective Date

This Guide Update is effective May 14, 2018.

Questions

Please contact David Miller at david_w_miller@fanniemae.com or (202) 752-6297, or John Collins at john_p_collins@fanniemae.com or (617) 345-8041, with any questions.

Associated Documents

On the Effective Date, the updated Guide chapter will be published on AllRegs.

- Part V, Chapter 6 – Watchlist Management ([clean](#) and [blackline](#))