Multifamily Mortgage Business Guide Update 18-06

July 18, 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 18-06 | Changes to Mortgage Loan Rating Classifications

HIGHLIGHTS

Effective July 23, 2018, Fannie Mae is updating Part V, Chapter 6 – Watchlist Management of the Multifamily Selling and Servicing Guide (“Guide”) to clarify that a Pass/Watch Mortgage Loan demonstrates a current weakness, condition, or characteristic that is not yet severe enough to warrant a Substandard Asset or Doubtful Asset rating.

Changes

Fannie Mae is clarifying the definition of a Mortgage Loan identified as a Pass/Watch asset to emphasize that a Pass/Watch Mortgage Loan demonstrates a current weakness, condition, or characteristic that is not yet severe enough to warrant a Substandard Asset or Doubtful Asset rating.

Please see the Guide chapter for full details.

Effective Date

This Guide Update is effective July 23, 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)