

FANNIE MAE DUS®

Choice Refinance

BENEFITS

- Flexible refinancing.
- Increased Lender delegation.
- Lower costs from reduced documentation.
- Speed in processing and underwriting.

ELIGIBILITY	<ul style="list-style-type: none"> • 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.
STREAMLINED REQUIREMENTS	All other terms follow the requirements set for newly originated first-lien Mortgage loans.
PRE-REVIEW MORTGAGE LOANS	<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>
PROPERTY DOCUMENTATION	Lender must document rationale in the Transaction Approval Memo.
BORROWER ANALYSIS	<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>
PREPAYMENT PREMIUM	<p>After the expiration of the Yield Maintenance period, the required 1% prepayment premium may be reduced or waived in certain circumstances.</p> <p>Prepayment premium due may be paid from the proceeds of the new Choice Refinance loan.</p>
ESCROWS	Replacement reserve, tax, and insurance escrows are typically required.
THIRD-PARTY REPORTS	<p>A Phase I Environmental Site Assessment is not required if:</p> <ul style="list-style-type: none"> • an Environmental Professional performs an environmental database review and identifies no <ul style="list-style-type: none"> o potential environmental concerns (as defined in ASTM E1528 - Standard Practice for Limited Environmental Due Diligence: Transaction Screen), or o adverse conditions requiring further due diligence; • the Borrower enters into an Environmental Indemnity Agreement (Form 6085); and • you confirm that the Borrower is appropriately implementing any existing O&M Plans for the Property. <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>
THIRD-PARTY EXPENSES	Origination Fees may be used to pay third-party expenses.