



Fannie Mae®

Multifamily Selling and Servicing Guide

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Section 301

Generally

Requirements

You must:

- perform a risk assessment of the Borrower, Guarantor, Key Principals, and Principals based solely on objective credit standards; and
- ensure all:
 - Potential Red Flags for Mortgage Fraud and Other Suspicious Activity were evaluated; and
 - unresolved red flags were reported per Part I, Chapter 3: Borrower, Guarantor, Key Principals, and Principals, Section 308: Compliance.

Prohibited practices include:

- basing the risk assessment on any characteristic protected by any fair housing or fair lending law, including
 - race,
 - color,
 - religion,
 - sex,
 - handicap,
 - familial status, or
 - national origin of the prospective
 - Borrowers,
 - Guarantors,
 - Key Principals,
 - Principals,
 - Property occupants, or
 - residents of the Property's neighborhood; or
- using
 - unsupported assumptions,



- personal opinions, or
- unsupported perceptions.

➔ Guidance

You should:

- Complete a credit review by analyzing information about their
 - organizational structure,
 - multifamily business experience and qualifications,
 - general credit history, and
 - current and prospective financial condition.
- Ensure the financial strength, experience, qualifications, and credit history of the Borrower, Guarantor, Key Principals, and Principals support the size, complexity, structure, and risk of the transaction.



Glossary

B

Borrower Person who is the obligor per the Note.

Synonyms

- Borrowers
- Borrower's

G

Guarantor Key Principal or other Person executing a

- Payment Guaranty,
- Non-Recourse Guaranty, or
- any other Mortgage Loan guaranty.

Synonyms

- Guarantors

P

Property Multifamily residential real estate securing the Mortgage Loan, including the

- fee simple or Leasehold interest,
- Improvements, and
- personal property (per the Uniform Commercial Code).

Synonyms

- Properties
- Property's