

# Multifamily Selling and Servicing Guide

Effective as of December 1, 2025

No portion of this Multifamily Selling and Servicing Guide may be reproduced in any form or by any means without Fannie Mae's prior written permission, except as may be provided herein or unless otherwise permitted by law. Limited permission to reproduce this Multifamily Selling and Servicing Guide in print, in whole or in part, and limited permission to distribute electronically parts of this Multifamily Selling and Servicing Guide, are granted to Fannie Mae-approved Lenders strictly for their own use in originating and selling multifamily Mortgage Loans to, and servicing multifamily Mortgage Loans for, Fannie Mae. Fannie Mae may revoke this limited permission by sending 60 days advance written notice to any or all Fannie Mae-approved Lenders.



# TABLE OF CONTENTS

Part I Section 305 Financial Statements	3
GLOSSARY	4

Effective: 12/01/2025



### **Section 305** Financial Statements

## ▼ Requirements

#### You must:

- obtain signed financial statements dated within 15 months of the
  Commitment Date from all parties relevant to the Mortgage Loan; and
- ensure all:
  - Potential Red Flags for Mortgage Fraud and Other Suspicious Activity were considered; and
  - unresolved red flags were reported per Part I, Chapter 3: Borrower, Guarantor, Key Principals, and Principals, Section 310: Compliance.

For all financial statements, you must collect:

- a list of all other assets, including
  - notes receivable from related entities, and
  - an estimate of the market value of each asset with the basis for calculating value estimates; and
- all liabilities and contingent liabilities, including
  - debts under lines or letters of credit.
  - personal guaranties,
  - unmet obligations to partnerships or other entities, and
  - other future obligations, with their amount and timing.

For all Mortgage Loans, you must determine any:

- appropriate adjustments to the reported net worth and liquidity of the Sponsor and each Key Principal or Guarantor; and
- other factors that may impact the party's financial position immediately or during the term of the Mortgage Loan (including any known threat of potential lawsuits that may arise from the parties' business operations).

Effective: 12/01/2025



# **Glossary**

# B

Borrower

Person who is the obligor per the Note.

# **Synonyms**

- Borrowers
- · Borrower's

C

**Commitment Date** 

Date a Commitment is confirmed by Fannie Mae per Part IV, Chapter 2: Rate Lock and Committing, Section 204: Commitments.

G

Guarantor

Key Principal or other Person executing a

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

# **Synonyms**

Guarantors

K

**Key Principal** 

Person who

- controls and/or manages the Borrower or the Property,
- is critical to the successful operation and management

Effective: 12/01/2025

of the Borrower and the Property, and/or may be required to provide a Guaranty.

#### **Synonyms**

- Key Principals
- Key Principal's

M



Mortgage Loan

Mortgage debt obligation evidenced, or when made will be evidenced, by

- the Loan Documents, or
- a mortgage debt obligation with a Fannie Mae credit enhancement.

# **Synonyms**

- Mortgage Loans
- Mortgage Loan's



**Sponsor** 

Principal equity owner and/or primary decision maker of the Borrower (often the Key Principal or the Person Controlling the Key Principal).

Effective: 12/01/2025

# **Synonyms**

- Sponsors
- Sponsor's