



Multifamily Selling and Servicing Guide

Effective as of November 25, 2019

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603.01B Pass/Watch Asset

A Pass/Watch Asset demonstrates a current weakness, condition, or characteristic that is not yet severe enough to warrant a Substandard Asset or Doubtful Asset rating.

Characteristics of a Pass/Watch Asset rating include, but are not limited to, physical condition, cash flow and/or other measures of performance that are weaker than expected or as underwritten, yet operating performance has not diminished such that the Asset should be adversely classified.