Fannie Mae®

# Multifamily Selling and Servicing Guide

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## 113.01 Active Oil and Gas Wells

### Requirements

You must ensure the Property has no evidence of any surface entry related to active mineral, oil, or gas activities.

For Properties with mineral, oil, or gas exploration on an adjacent property, you must:

- Identify whether the exploration is active or inactive.
- Deliver a Phase I ESA for the Property reporting no Recognized Environmental Conditions.
- Confirm all mineral, oil, or gas:
  - equipment is located more than 600 feet from any Property boundary line; and
  - exploration on the adjacent property does not impact the health or safety of the Property's tenants or have a material adverse impact to its marketability.
- Confirm:
  - the adjacent property is not owned by an Affiliate of the Borrower; and
  - either:
    - no history of spills or leaks exists; or
    - if spills or leaks have occurred, all applicable permits are in place.

### Guidance

Evidence of active mineral, oil, or gas activities on the Property may include:

- wells associated with production, exploration, or extraction;
- active storage or processing; or
- associated pits, ponds, or lagoons.

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# Glossary

## A

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| Affiliate | When referring to an affiliate of a Lender, any other Person or entity that Controls, is Controlled by, or is under common Control with, the Lender.<br>When referring to an affiliate of a Borrower or Key Principal:<br>• any Person that owns any direct ownership interest in Borrower or Key Principal;<br>• any Person that indirectly owns, with the power to vote, 20% or more of the ownership interests in Borrower or Key Principal;<br>• any Person Controlled by, under common Control with, or which Controls, Borrower or Key Principal;<br>• any entity in which Borrower or Key Principal directly or indirectly owns, with the power to vote, 20% or more of the ownership interests in such entity; or<br>• any other individual that is related (to the third degree of consanguinity) by blood or marriage to Borrower or Key Principal.<br><br>**Synonyms**<br>• Affiliates<br>• Affiliate's |

## B

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|---|---|
| Borrower | Person who is the obligor per the Note.<br><br>**Synonyms**<br>• Borrowers<br>• Borrower's |

## D

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| Delivery | Submission of all correct, accurate, and certifiable documents, data, and information with all applicable documents properly completed, executed, and recorded as needed, and any deficiencies resolved to Fannie Maes satisfaction.<br><br>**Synonyms**<br>• Deliver<br>• Delivered<br>• Deliveries |

# E

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| Environmental Site Assessment | Investigation and resulting report (Phase I ESA or Phase II ESA) conducted per Environmental Due Diligence Requirements (Form 4251), identifying if a Property has Recognized Environmental Conditions or Business Environmental Risks.<br><br>**Synonyms**<br>• ESA<br>• Environmental Site Assessments |

# G

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| Guide | Multifamily Selling and Servicing Guide controlling all Lender and Servicer requirements unless a Lender Contract specifies otherwise.<br><br>**Synonyms**<br>• DUS Guide |

# P

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| Phase I ESA | Environmental Site Assessment conducted per the current ASTM E-1527 standard and the resulting report.<br><br>**Synonyms**<br>• Phase I Environmental Site Assessment<br>• Phase I ESAs |

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|---|---|
| Property | Multifamily residential real estate securing the Mortgage Loan, including the<br>• fee simple or Leasehold interest,<br>• Improvements, and<br>• personal property (per the Uniform Commercial Code).<br><br>**Synonyms**<br>• Properties<br>• Property's |