

Multifamily Selling and Servicing Guide

Effective as of November 4, 2025

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2003.03C Third-Party Reports

✓ Requirements

If you and the construction lender use a single set of third-party reports for underwriting, the reports

- must be addressed to both lenders, but
- can be contracted and paid for by either lender.

% Operating Procedures

You must obtain the following reports.

| Report | Timing | You must |
|-------------------------------------|------------------------------|--|
| Property Condition Assessment | Before Forward Commitment | Complete a PCA for all substantial rehabilitation properties. |
| | Before conversion | Obtain a PCA and complete the Replacement Reserve Schedule per Part II, Chapter 4: Lease Audits, Inspections, and Reserves. |
| Environmental Site Assessment | Before construction | Obtain a Phase I ESA. |
| | Before conversion | Obtain a new Phase I ESA. Obtain a Phase II ESA if recommended by the new Phase I ESA. Ensure any required remediation is complete before you Deliver the permanent Mortgage Loan. |



| Report | Timing | You must |
|----------------------|------------------------------|--|
| Architectural Review | Before Forward Commitment | From an independent consulting architect, obtain an architectural review assessing the Property's • preliminary plans and specifications, • compliance with local building codes, • site characteristics, • choice of building materials and finishes, • asset quality, • marketability, and • overall design appropriateness for the intended use. |
| | During construction | Use a consulting architect for in-field inspections. |
| | Final inspection | Require the consulting architect to conduct a final inspection confirming the Property: • was built according to the approved plans and specifications; and • meets all applicable building codes and zoning requirements. |
| Appraisal | Before Commitment | Obtain an Appraisal per Part II, Chapter 2: Valuation and Income. |
| | Before conversion | Obtain a new or updated Appraisal if • you request an increase in the permanent Mortgage Loan amount above the Forward Commitment terms, or • Fannie Mae requires it. |





You may use the same consulting architect as the construction lender if the consulting architect:

- is independent and not an employee of the construction lender;
- is retained directly by you and engaged separately by the construction lender; and
- acknowledges they may be required to make recommendations that do not align with those of the construction lender.



Glossary

A

Appraisal

Written statement independently and impartially prepared by a qualified Appraiser stating an opinion of the Property's market value

- · as of a specific date, and
- supported by the presentation and analysis of relevant market information.

Synonyms

- Appraisals
- · Appraisal's

C

Commitment

Contractual agreement between you and Fannie Mae where Fannie Mae agrees to buy a Mortgage Loan at a future date in exchange for an MBS, or at a specific price for a Cash Mortgage Loan, and you agree to Deliver that Mortgage Loan.

Synonyms

- Committed
- Commitments

E

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.

Effective: 11/04/2025

Synonyms

- ESA
- Environmental Site Assessments

F



Forward Commitment

Commitment to purchase a permanent Mortgage Loan for a to-be constructed or rehabilitated Property.

Synonyms

- Forward Commitment's
- Forward Commitments

L

Lease

Written agreement between an owner and the tenant of a Property stipulating the conditions for possession and use of real estate for a specified period of time and rent.

Synonyms

Leases

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

P

Phase I ESA

Environmental Site Assessment conducted per the current ASTM E-1527 standard and the resulting report.

Effective: 11/04/2025

Synonyms

- Phase I Environmental Site Assessment
- Phase I ESAs



Phase II ESA

Environmental Site Assessment conducted per the current ASTM E-1903 standard, or any other post-Phase I ESA, and the resulting report.

Synonyms

Phase II Environmental Site Assessment

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

Property Condition Assessment

Assessment of the Property's physical condition and historical operation.

Synonyms

- PCA
- PNA
- Physical Needs Assessment
- PCAs

R

Replacement Reserve Schedule

The Required Replacement Schedule to the Multifamily Loan Agreement (Form 6001 series) and the applicable parts of the Multifamily Loan Agreement (or other agreement approved by Fannie Mae), that evidence the:

• Borrower's agreement to replace identified capital items and perform required maintenance;

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- terms for funding the identified capital item replacement and maintenance; and
- disbursement of Replacement Reserve funds.

Synonyms

• Replacement Reserve Schedules