Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of October 26, 2026

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1903.05A Monitoring

Requirements

You must monitor the construction process to ensure that when the permanent Mortgage Loan is converted it will comply with the

- Forward Commitment, and
- permanent Mortgage Loan Commitment.

Guidance

During the construction or substantial rehabilitation period:

Responsible Party	Activities
You	• Evaluate inspections and change orders. • Reject any change orders that would: - change the Property'smain design or asset quality features; - make material changes; or - result in combined hard and contingency costs greater than the construction loan budget (i.e., the construction loan must remain in balance). • Review the consulting architects progress reports and provide them to Fannie Mae upon request. • Monitor the construction loan and lease-up status.
Consulting Architect	• Regularly perform on-site construction progress inspections. • Ensure the time between inspections is not more than 2 months. • Issue a progress report after each - inspection, and - whenever the construction lender approves a disbursement.

You and the construction lender may both use the same consulting architect for the

- preliminary and final plans,

- specification reviews, and
- construction period inspections.

Glossary

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

F

Forward Commitment	Commitment to purchase a permanent Mortgage Loan for a to-be constructed or rehabilitated Property. **Synonyms** • Forward Commitment's • Forward Commitments

G

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

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

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Lender	Person Fannie Mae approved to sell or service Mortgage Loans. **Synonyms** • Lenders • Lender'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

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