



Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of April 1, 2026

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 III Section 1903.05A Monitoring	3
GLOSSARY	5



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	<ul style="list-style-type: none">• Evaluate inspections and change orders.• Reject any change orders that would:<ul style="list-style-type: none">- change the Property's main 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 architect's progress reports and provide them to Fannie Mae upon request.• Monitor the construction loan and lease-up status.
Consulting Architect	<ul style="list-style-type: none">• Regularly perform on-site construction progress inspections.• Ensure the time between inspections is not more than 2 months.• Issue a progress report after each<ul style="list-style-type: none">- 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

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