



Fannie Mae®

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# Multifamily Selling and Servicing Guide

Effective as of February 2, 2026

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## 1903.06 Construction Completion

### Requirements

You must ensure that all Improvements on the Property are completed, including

- amenities,
- landscaping,
- signage,
- parking, etc.

If sufficient funds will be reserved in a Completion/Repair Escrow, minor punch list and weather-sensitive items may be incomplete.

### Guidance

Use the following table for confirming construction completion and occupancy.

Responsible Party	Activities
Consulting Architect	<ul style="list-style-type: none"><li>• Conduct a final Property inspection.</li><li>• Certify the Property was completed per this Section.</li></ul>



Responsible Party	Activities
You	<p>Ensure all Improvements:</p> <ul style="list-style-type: none"><li>• were completed in a good and workmanlike manner per the approved plans and specifications;</li><li>• are Lien-free; and</li><li>• for all governmental authorities with jurisdiction over the Property, comply with all<ul style="list-style-type: none"><li>- applicable laws,</li><li>- building codes,</li><li>- zoning requirements,</li><li>- subdivision requirements,</li><li>- fire and safety laws,</li><li>- ADA requirements, and</li><li>- design and construction requirements per the Fair Housing Act.</li></ul></li></ul> <p>Obtain:</p> <ul style="list-style-type: none"><li>• certificates and reports showing the Borrower completed all Improvements per the Guide from the<ul style="list-style-type: none"><li>- architect,</li><li>- consulting architect, and</li><li>- other project consultants;</li></ul></li><li>• evidence of all public utilities for the Property;</li><li>• copies of:<ul style="list-style-type: none"><li>- all Property operating permits and licenses; and</li><li>- either:<ul style="list-style-type: none"><li>▪ each unconditional certificate of occupancy (or the local equivalent) for all required portions of the Property; or</li><li>▪ evidence the Property passed all inspections and received all approvals before occupancy, if local law does not require certificates of occupancy; and</li></ul></li></ul></li><li>• a Certification of Substantial Completion (AIA Document G704) stating the Improvements were completed per the final plans and specifications, and executed by the appropriate parties, including the<ul style="list-style-type: none"><li>- architect,</li><li>- general contractor, and</li><li>- Borrower.</li></ul></li></ul>



# Glossary

## B

**Borrower** Person who is the obligor per the Note.

### **Synonyms**

- Borrowers
- Borrower's

## C

**Completion/Repair Escrow** Custodial Account funded on the Mortgage Loan Origination Date for Completion/Repairs or capital improvements per the Loan Documents.

## G

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

### **Synonyms**

- DUS Guide

## I

**Improvements** Buildings, structures, improvements, and alterations, including the multifamily housing dwellings, now or hereafter constructed or placed on the Property, including all fixtures (as defined in the UCC).

### **Synonyms**

- Improvements'

## L



## Lien

Lien, mortgage, bond interest, pledge, security interest, charge, or encumbrance of any kind.

### **Synonyms**

- Liens

## **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