



Fannie Mae®

Multifamily Selling and Servicing Guide

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2003.06 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">• Conduct a final Property inspection.• Certify the Property was completed per this Section. |



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



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).

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