Fannie Mae®

# Multifamily Selling and Servicing Guide

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## 1903.06 Construction Completion

### Reqiurements

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

| Responsible Party | Activities |
|---|---|
| You | Ensure all Improvements:<br><br>• were completed in a good and workmanlike manner per the approved plans and specifications;<br>• are Lien-free; and<br>• for all governmental authorities with jurisdiction over the Property, comply with all<br>- applicable laws,<br>- building codes,<br>- zoning requirements,<br>- subdivision requirements,<br>- fire and safety laws,<br>- ADA requirements, and<br>- design and construction requirements per the Fair Housing Act.<br><br>Obtain:<br><br>• certificates and reports showing the Borrower completed all Improvements per the Guide from the<br>- architect,<br>- consulting architect, and<br>- other project consultants;<br><br>• evidence of all public utilities for the Property;<br>• copies of:<br>- all Property operating permits and licenses; and<br>- either:<br>▪ each unconditional certificate of occupancy (or the local equivalent) for all required portions of the Property; or<br>▪ evidence the Property passed all inspections and received all approvals before occupancy, if local law does not require certificates of occupancy; and<br><br>• 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<br>- architect,<br>- general contractor, and<br>- Borrower. |

# Glossary

## B

| | |
|---|---|
| Borrower | Person who is the obligor per the Note.<br><br>**Synonyms**<br>• Borrowers<br>• 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. |
| Completion/Repairs | Repairs or capital item replacements and deferred maintenance:<br>• identified per the Property Condition Assessment; and<br>• required per the<br>- Completion/Repair Schedule, or<br>- Completion/Repair Agreement.<br><br>**Synonyms**<br>• Completion/Repair |

## G

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

## I

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| | |
|---|---|
| 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).<br><br>**Synonyms**<br>• Improvements' |

# L

| | |
|---|---|
| Lien | Lien, mortgage, bond interest, pledge, security interest, charge, or encumbrance of any kind.<br><br>**Synonyms**<br>• Liens |

# P

| | |
|---|---|
| Project | Multifamily buildings<br>• on multiple Properties,<br>• owned by the same Borrower, and<br>• that comply with Part II, Chapter 1: Attributes and Characteristics, Section 103.01: Single Borrower Ownership.<br><br>**Synonyms**<br>• Projects |
| Property | Multifamily residential real estate securing the Mortgage Loan, including the<br>• fee simple or Leasehold interest,<br>• Improvements, and<br>• personal property (per the Uniform Commercial Code).<br><br>**Synonyms**<br>• Properties<br>• Property's |