



Fannie Mae®

---

# Multifamily Selling and Servicing Guide

Effective as of December 31, 2021

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 V Section 603 Action Plans .....	3
603.01 Primary Risk Mortgage Loans .....	3
603.02 Secondary Risk Mortgage Loans .....	3
603.03 Defaulted Mortgage Loans .....	4
GLOSSARY .....	5



## Section 603 Action Plans

### 603.01 Primary Risk Mortgage Loans

#### Requirements

You must submit an Action Plan for any Primary Risk Mortgage Loan

- identified as a Substandard Asset on Fannie Mae's Watchlist, and
- with an Action Plan work item in the MAMP.

The Action Plan must explain

- all areas of concern,
- the Sponsor's strategy and timing,
- your actions to resolve the issues, and
- any results.

#### Operating Procedures

For a Small Mortgage Loan, do not create an Action Plan unless Fannie Mae requires it.

For each Action Plan:

- Review the MAMP module.
- Review the Action Plan Submission Process Guide under "Guides and Templates" in the MAMP.
- Create a new one or update an existing one twice a year to:
  - document material changes and/or updates since the previous Action Plan;
  - identify causes of the issues and additional actions you and the Borrower took;
  - explain how the actions will reduce or mitigate risk and loss; and
  - report the results of previous actions.
- Use the prescribed format to submit it in the MAMP by the "Submission Due Date".

### 603.02 Secondary Risk Mortgage Loans



### → Guidance

For a Secondary Risk Mortgage Loan on your Servicer Watchlist, Fannie Mae may request additional information, including an Action Plan.

### ☑ Requirements

You must provide all information and Action Plans within 5 Business Days after Fannie Mae's request.

## 603.03 Defaulted Mortgage Loans

### ☑ Requirements

For any defaulted Mortgage Loan, until servicing is transferred to a Special Servicer, you must continue taking all actions

- noted in the Action Plan, or
- otherwise communicated to Fannie Mae.

### → Guidance

For your defaulted Mortgage Loan obligations, see [Part V, Chapter 7: Non-Performing Mortgage Loans](#).



# Glossary

## A

Action Plan

Servicer's report to Fannie Mae including detailed analysis of Mortgage Loan and Property issues, Servicer's strategy for resolving issues, and related actions and outcomes.

### **Synonyms**

- Action Plans

## B

Borrower

Person who is the obligor per the Note.

### **Synonyms**

- Borrowers
- Borrower's

## G

Guide

Multifamily Selling and Servicing Guide that:

- controls all Lender and Servicer requirements unless a Lender Contract specifies otherwise; and
- includes any exhibits, appendices, or other referenced forms, as updated, amended, restated, modified, or supplemented.

### **Synonyms**

- DUS Guide

## M



## MAMP

Multifamily Asset Management Portal used to submit Property inspections, operating statements, and requested modifications; asset management reports; and data corrections related to loan or property level attributes.

### **Synonyms**

- Multifamily Asset Management Portal
- MAMP's

## 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

### Primary Risk Mortgage Loan

Mortgage Loan where Fannie Mae bears all losses or where the Lender and Fannie Mae share losses.

### **Synonyms**

- Primary Risk Mortgage Loans
- Primary Risk

## S

### Secondary Risk Mortgage Loan

Mortgage Loan where the Lender bears all losses until the Lender's recourse obligations are exhausted.

### **Synonyms**

- Secondary Risk Mortgage Loans
- Secondary Risk



Servicer	<p>Primary Person responsible for servicing the Mortgage Loan (e.g., the originator, the selling Lender, or a third-party servicer).</p> <p><b>Synonyms</b></p> <ul style="list-style-type: none"><li>• Servicers</li><li>• Servicer's</li></ul>
Small Mortgage Loan	<p>Mortgage Loan with an original loan amount less than or equal to \$6 million and underwritten per <a href="#">Part III, Chapter 9: Small Mortgage Loans</a>.</p> <p><b>Synonyms</b></p> <ul style="list-style-type: none"><li>• Small Mortgage Loans</li></ul>
Special Servicer	<p>Servicer (which may be Fannie Mae, the Servicer, or a third-party special servicer contracted by Fannie Mae) responsible for implementing the loss mitigation actions for a Non-Performing Mortgage Loan.</p>
Sponsor	<p>Principal equity owner and/or primary decision maker of the Borrower (often the Key Principal or the Person Controlling the Key Principal).</p> <p><b>Synonyms</b></p> <ul style="list-style-type: none"><li>• Sponsors</li><li>• Sponsor's</li></ul>
<b>W</b>	
Watchlist	<p>Mortgage Loan or Property exhibiting heightened credit risk as identified by the Lender or Fannie Mae.</p>