



Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of August 29, 2025

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502.06E Collateral Analysis

Operating Procedures

If the Property needs repairs or maintenance:

Step	Activity	You must...
1	Notify Borrower	<ul style="list-style-type: none">• Within 45 days after the inspection date,<ul style="list-style-type: none">- identify the repair or maintenance issues,- include any photos, and- direct the Borrower to timely complete the work.• Use Form 4830 if the Property inspection rating is 3, 4, or 5.
2	Follow Up	<ul style="list-style-type: none">• Follow up to ensure the Borrower responded and the work was successfully completed. If not:<ul style="list-style-type: none">- notify the Borrower;- notify Multifamily Inspections; and- include your resolution recommendation.• Use Form 4831 or Form 4832 if the Property inspection rating is 3, 4, or 5.
3	Set Rating	<p>Set the Property inspection overall rating to 4 (or 5 depending on the severity or other existing issues) if:</p> <ul style="list-style-type: none">• 10% or more of the units are down for any reason; or• there is casualty damage equal to<ul style="list-style-type: none">- 25% of the current UPB, or- \$1 million.

Guidance

Setting the Property inspection rating to 4 or 5 does not:

- add the Mortgage Loan to Fannie Mae's Watchlist;
- require an Action Plan; or
- require Replacement Reserves reinstatement if the rating is the result of a



casualty loss unless you

- identify other performance issues that increase credit risk, or
- expect insufficient funds or insurance proceeds to restore the Property to its original condition.



Glossary

A

Action Plan	Your report analyzing <ul style="list-style-type: none">• the Mortgage Loan and Property issues,• your resolution strategy, and• related actions and outcomes. Synonyms <ul style="list-style-type: none">• Action Plans
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B

Borrower	Person who is the obligor per the Note. Synonyms <ul style="list-style-type: none">• Borrowers• Borrower's
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M

Mortgage Loan	Mortgage debt obligation evidenced, or when made will be evidenced, by <ul style="list-style-type: none">• the Loan Documents, or• a mortgage debt obligation with a Fannie Mae credit enhancement. Synonyms <ul style="list-style-type: none">• Mortgage Loans• Mortgage Loan's
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Multifamily Inspections	Team that can be contacted at mf_inspections@fanniemae.com .
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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

U

UPB

Unpaid Principal Balance

Synonyms

- UPBs

W

Watchlist

The risk rating classification if you or Fannie Mae determine the Mortgage Loan has heightened credit risk.