Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of September 28, 2026

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502.06E Collateral Analysis

Operating Procedures

If the Property needs repairs or maintenance:

Step	Activity	You must...
1	Notify Borrower	• Regardless of the property inspection rating, within 45 days after the inspection date, or within 30 days after you receive notice of a Fannie Mae reinspection: - 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	• Follow up to ensure the Borrower responded and the work was successfully completed. If not: - 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	Set the Property inspection overall rating to 4 (or 5 depending on the severity or other existing issues) if: • 10% or more of the units are down for any reason; or • there is casualty damage equal to - 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 Maes 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 • the Mortgage Loan and Property issues, • your resolution strategy, 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 controlling all Lender and Servicer requirements unless a Lender Contract specifies otherwise. **Synonyms** • DUS Guide

M

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

Multifamily Inspections	Team that can be contacted at mf_inspections@fanniemae.com.

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

R

Replacement Reserve	Custodial Account the Borrower funds during the Mortgage Loan term for Replacements. **Synonyms** • Replacement Reserves
Replacements	Capital item replacements and major maintenance needs identified by the Property Condition Assessment or otherwise required. **Synonyms** • Replacement

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.