



Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of February 2, 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	<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, anddirect 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; andinclude 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; orthere 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

- 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

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

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.