

Multifamily Selling and Servicing Guide

Effective as of November 4, 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 | Within 45 days after the inspection date, 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 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.

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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.