



Fannie Mae®

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# Multifamily Selling and Servicing Guide

Effective as of March 20, 2023

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## 503.01 Reporting

### Requirements

You must submit quarterly and annual Financial Analysis of Operations reports (Form 4254 or Form 4254.Seniors) for each Property.

### Operating Procedures

You must submit all Financial Analysis of Operations reports via the MAMP. To ensure the operating statements are complete:

Item	Activity	You must...
1	Verify	Verify the operating statements reflect the Property's actual physical occupancy based on the most recent quarter-end rent roll.
2	Provide	Provide actual expenses, normalizing <ul style="list-style-type: none"><li>• for seasonal variations, and</li><li>• certain expenses including, but not limited to,<ul style="list-style-type: none"><li>- real estate taxes,</li><li>- property casualty insurance,</li><li>- Replacement Reserves, and</li><li>- property management fees.</li></ul></li></ul>



Item	Activity	You must...
3	Comment	<p>Comment if:</p> <ul style="list-style-type: none"> <li>• the Mortgage Loan is on Fannie Maes Watchlist; or</li> <li>• there is a:               <ul style="list-style-type: none"> <li>- greater than 20% variance from the same reporting period in the prior year for (per Form 4254.DEF)                   <ul style="list-style-type: none"> <li>▪ Effective Gross Income,</li> <li>▪ total operating expenses,</li> <li>▪ Gross Potential Rent,</li> <li>▪ private pay,</li> <li>▪ Medicare/Medicaid,</li> <li>▪ repairs and maintenance,</li> <li>▪ utilities,</li> <li>▪ water and sewer,</li> <li>▪ real estate taxes, or</li> <li>▪ Property insurance;</li> </ul> </li> <li>- greater than 10% variance in physical occupancy from the immediately preceding reporting period;</li> <li>- change in the Property's tax-exempt status;</li> <li>- change in the required P&amp;I payments during a reporting period (e.g., interest-only to amortizing);</li> <li>- property management fee less than 3%; or</li> <li>- relevant change in the Property's financial performance.</li> </ul> </li> </ul>
4	Resolve	Timely resolve any quality control issues.



# Glossary

## E

**Effective Gross Income** On an annual basis or any specified period, the total of Net Rental Income plus other income per [Part II, Chapter 2: Valuation and Income, Section 202: Income Analysis](#) and the applicable products and features in Part III.

### **Synonyms**

- EGI

## G

**Gross Potential Rent** On an annual basis or any specified period, the total actual and potential rent for a Property per [Part II, Chapter 2: Valuation and Income, Section 202: Income Analysis](#) and the applicable products and features in Part III.

### **Synonyms**

- GPR

## M

**MAMP** Multifamily Asset Management Portal used to submit

- Property inspections,
- operating statements,
- requested modifications,
- asset management reports, and
- data corrections for loan or property 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**

### P&I

Principal and interest

### 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

## **W**

### Watchlist

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