



Fannie Mae®

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# Multifamily Selling and Servicing Guide

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## Section 504 Loan Agreement Compliance

### 504.01 Generally

#### Requirements

For all Mortgage Loans, you must

- review all required Borrower or Guarantor information, and
- confirm compliance with the quarterly and annual reporting requirements per the Loan Documents.

#### Guidance

You may use the Annual Loan Agreement Certification ([Form 6620 series](#)) when compiling the required financial reports and information.

### 504.02 Financial Reports and Information

#### 504.02A Borrower and Guarantor Notices

##### Operating Procedures

You:

- Will receive an annual list of all Mortgage Loans requiring Guarantor financial records for the past fiscal year.
- Must send the Borrower and Guarantors a list of all required financial reports.
- Must provide the Borrower and Guarantors sufficient time for you to submit certified financial reports:
  - for Borrowers,
    - within 45 days after the end of each fiscal quarter, and
    - 120 days after the end of each fiscal year; and
  - for Guarantors, by June 1.
- Must use best efforts to obtain all required reports.
- Must promptly submit all Guarantor financial reports received per [Part V, Chapter 5: Surveillance, Section 504.02C: Review Financial Reporting](#).



## 504.02B Borrower Fails to Provide Guarantor Financial Reports

### Operating Procedures

You must immediately notify Fannie Mae and the Borrower or Guarantor if:

- the Borrower fails to submit the required Guarantor financial reports and information by the date required per the Loan Documents;
- the Guarantor fails to certify each financial report is true, complete, and accurate in all material respects; or
- you believe any financial report or information is materially inaccurate or misleading.

You must provide:

- the Borrower or Guarantor 30 days to deliver/certify all required financial reports and information; and
- Fannie Mae copies of all related correspondence with the Borrower or any Guarantor.

If the Borrower or a Guarantor...	You...
Fails to: <ul style="list-style-type: none"> <li>• timely submit all required information; or</li> <li>• respond to at least 3 written notices.</li> </ul>	Must request a waiver through: <ul style="list-style-type: none"> <li>• the MAMP for financials required from the Borrower; or</li> <li>• Sponsor Financials for financials required from the Guarantors.</li> </ul>
Is diligently attempting to deliver all required information.	May extend the 30-day period by an additional 30 days.

## 504.02C Review Financial Reporting

### Operating Procedures

After reviewing the Borrower or Guarantor information:



If you determine...	You must...
No additional follow up is required	<ul style="list-style-type: none"><li>• Submit the certified material through:<ul style="list-style-type: none"><li>- the MAMP for the Borrower; and</li><li>- Sponsor Financials for Guarantors.</li></ul></li><li>• Retain the information in your Servicing File.</li></ul>
Additional or supporting information is required	<ul style="list-style-type: none"><li>• Promptly:<ul style="list-style-type: none"><li>- contact the Borrower or Guarantor to request additional information; and</li><li>- submit a copy of all financial reporting, explanatory schedules, and other supporting information through<ul style="list-style-type: none"><li>▪ the MAMP for the Borrower, and</li><li>▪ Sponsor Financials for Guarantors.</li></ul></li></ul></li><li>• Retain the information in your Servicing File.</li></ul>

## 504.02D Records

### Requirements

For the Mortgage Loan term, your Servicing File must include the originals of the following Borrower and Guarantor information:

- financial records;
- certifications and certified material; and
- related information and explanatory schedules.



# Glossary

## B

**Borrower** Person who is the obligor per the Note.

**Synonyms**

- Borrowers
- Borrower's

## G

**Guarantor** Key Principal or other Person executing a

- Payment Guaranty,
- Non-Recourse Guaranty, or
- any other Mortgage Loan guaranty.

**Synonyms**

- Guarantors

## L

**Loan Documents** All executed Fannie Mae-approved documents evidencing, securing, or guaranteeing the Mortgage Loan.

**Synonyms**

- Loan Document
- Mortgage Loan Document
- Mortgage Loan Documents

## 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

## S

## Servicing File

Your file for each Mortgage Loan serviced.

### **Synonyms**

- Servicing Files

## Sponsor

Principal equity owner and/or primary decision maker of the Borrower (often the Key Principal or the Person Controlling the Key Principal).

### **Synonyms**

- Sponsors
- Sponsor's