



Fannie Mae®

Multifamily Selling and Servicing Guide

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Section 505

Compliance

Requirements

You must:

- maintain effective OFAC compliance procedures;
- monthly screen:
 - the Borrower, Key Principal, Guarantor, and Principals for Potential Red Flags for Mortgage Fraud and Other Suspicious Activity; and
 - all Persons per Part I, Chapter 3: Borrower, Guarantor, Key Principals, and Principals, Section 308: Compliance; and
- report:
 - all unresolved red flags per Part I, Chapter 3: Borrower, Guarantor, Key Principals, and Principals, Section 308: Compliance; and
 - within 24 hours, any Blocked Person to Lender Assessment Oversight.



Glossary

B

Blocked Person Any Person who is:

- on the FHFA SCP List;
- sanctioned or blocked by OFAC; or
- identified on:
 - HUD's "Limited Denial of Participation, HUD Funding Disqualifications and Voluntary Abstentions List"; or
 - General Services Administration's "System for Award Management (SAM) exclusion list".

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

K

Key Principal Person who

- controls and/or manages the Borrower or the Property,
- is critical to the successful operation and management of the Borrower and the Property, and/or
- may be required to provide a Guaranty.

Synonyms

- Key Principals
- Key Principal's



L

Lender Assessment
Oversight

Team that can be contacted at
lenderassessment_oversightteam@fanniemae.com.

O

OFAC

U.S. Treasury Department, Office of Foreign Assets
Control.