



Fannie Mae®

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# Multifamily Selling and Servicing Guide

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## Section 2001 Eligible Mortgage Loans

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### Requirements

For any Condominium Property, you must:

- evaluate the Condominium Documents for compliance with the Condominium Document Review Checklist ([Form 6498](#));
- determine if it is a:
  - Residential Condominium where the Borrower owns:
    - 100% of the units (i.e., a Wholly-Owned Condominium); or
    - less than 100% but at least 80% of the units (i.e., a Fractured Condominium); or
  - Commercial Condominium where the Borrower owns 100% of the residential units but does not own any other unit;
- ensure each Condominium Property unit:
  - is a separate tax parcel; and
  - has a separate tax bill;
- confirm:
  - the entire Property is subject to the Condominium regime;
  - all assessments and payments due per the Condominium Documents are current;
  - future assessments and payments from the Borrower are subordinate to the Mortgage Loan;
  - the Borrower is:
    - complying with all Condominium Documents; and
    - not involved in any Condominium Property disputes that may
      - result in material litigation, or
      - materially adversely impact the Property; and
- retain [Form 6498](#) in your Servicing File.



# Glossary

## B

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

### **Synonyms**

- Borrowers
- Borrower's

## C

**Commercial Condominium** Mixed-use Condominium Property combining Borrower-owned multifamily residential units with 1 or more other uses (e.g., retail, hotel, office, etc.) which may not be Borrower-owned.

**Condominium** Statutorily established Property ownership regime where Condominium Documents designate:

- individual units for separate ownership; and
- common areas for shared use and joint ownership by the unit owners.

**Condominium Documents** Governing documents:

- for the Condominium and owners' association's
  - creation,
  - operation, and
  - management; and
- including Condominium instruments for Condominium governance, such as
  - declarations,
  - plats,
  - bylaws,
  - rules and regulations,
  - articles of incorporation, or
  - any other document required by law.

### **Synonyms**

- Condominium Document

## F



Fractured  
Condominium

Residential Condominium Property where the Borrower owns less than 100% of the units.

## 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

## 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

## R

Residential  
Condominium

Condominium Property where all units are residential.

## S

Servicing File

Your file for each Mortgage Loan serviced.

### Synonyms

- Servicing Files

## W



Wholly-Owned  
Condominium

Residential Condominium Property where the Borrower  
owns 100% of the units.