

# Multifamily Selling and Servicing Guide

Effective as of November 4, 2025

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#### **301.02** Legal Non-Conforming Use

#### ▼ Requirements

If the Property is a legal non-conforming use, you must:

- ensure the Borrower executes Modifications to Multifamily Loan and Security Agreement (Legal Non-Conforming Status) (Form 6275);
- confirm, following a casualty, the percentage of damage to the Property's Improvements (i.e., the destruction threshold) at which the Property jurisdiction would prohibit the rebuilding of all impacted Improvements to the pre-casualty use and condition under current
  - laws.
  - zoning requirements, and
  - building codes; and
- if the destruction threshold is less than 50%, not Deliver the Mortgage Loan.

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## **Glossary**

#### B

Borrower

Person who is the obligor per the Note.

#### **Synonyms**

- Borrowers
- Borrower's

I

**Improvements** 

Buildings, structures, improvements, and alterations, including the multifamily housing dwellings, now or hereafter constructed or placed on the Property, including all fixtures (as defined in the UCC).

#### **Synonyms**

• Improvements'

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

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).

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#### **Synonyms**

- Properties
- Property's

S

Security

MBS, PFP MBS, or REMIC.

#### **Synonyms**

Securities