



Fannie Mae®

---

# Multifamily Selling and Servicing Guide

Effective as of February 2, 2026

No portion of this Multifamily Selling and Servicing Guide may be reproduced in any form or by any means without Fannie Mae's prior written permission, except as may be provided herein or unless otherwise permitted by law. Limited permission to reproduce this Multifamily Selling and Servicing Guide in print, in whole or in part, and limited permission to distribute electronically parts of this Multifamily Selling and Servicing Guide, are granted to Fannie Mae-approved Lenders strictly for their own use in originating and selling multifamily Mortgage Loans to, and servicing multifamily Mortgage Loans for, Fannie Mae. Fannie Mae may revoke this limited permission by sending 60 days advance written notice to any or all Fannie Mae-approved Lenders.



## TABLE OF CONTENTS

---

Part II Section 202.02 Appraisals .....	3
202.02A Appraiser Selection .....	3
202.02B Permissible Appraiser Communications .....	5
202.02C Appraiser Independence .....	5
202.02D Valuation Date .....	8
202.02E Appraisals Ordered by Another Lender .....	8
202.02F Lender Appraisal Review .....	9
202.02G Subsequent Appraisals .....	13
202.02H Appraiser Discontinuance or Misconduct .....	14
GLOSSARY .....	15



## 202.02 Appraisals

### 202.02A Appraiser Selection

#### Requirements

You must:

- maintain a list of Appraisers generally approved to perform Appraisals;
- document the selection and approval of an Appraiser, per your Lender Appraisal Function processes, who is:
  - a Certified General Appraiser (or licensed or certified per state law, if that state does not use the Certified General Appraiser designation);
  - listed in good standing on the state roster per Title XI of FIRREA; and
  - actively prepares multifamily appraisals in the Property's market;
- if an in-house Appraiser is used, ensure your Lender Loan Origination Function is separated from and cannot in any way influence (i.e., an ethical wall) the in-house Appraiser to:
  - prevent conflicts of interest; and
  - maintain Appraisal independence;
- require the Appraisal to:
  - be in a narrative format, using only objective factors;
  - be signed by the Appraiser;
  - be certified by the Appraiser to conform with current USPAP requirements; and
  - comply with:
    - Instructions for Appraisers ([Form 4827](#)); and
    - any governmental regulations in effect when the Mortgage Loan was originated, including
      - FIRREA,
      - all fair lending laws, and
      - all fair housing laws;
- provide the Appraiser all applicable documents needed to accurately assess Property's value, including:



- the most recent PCA Report, or any other inspection reports (e.g., a structural engineering report);
- a rent roll dated within 60 days of the Appraiser's inspection date;
- Property operating statements detailing
  - income and expenses for the previous year (if available, for the previous 2 years), and
  - year-to-date income and expenses;
- copies of:
  - the Borrower's standard form of residential lease;
  - any executed commercial leases, including all amendments and attachments;
  - any ground leases;
  - any easements or regulatory agreements; and
  - any purchase/sales contracts executed within 3 years before the Appraisal date;
- any Environmental Site Assessments;
- architectural plans, if the Property is not yet completed;
- site plans/surveys, if available;
- for a Moderate Rehabilitation Property, details of the
  - capital expenditures incurred, and
  - total construction costs; and
- any information that may affect the Appraiser's estimate of the Property's value; and

■ not accept any Appraisal completed by an Appraiser selected, retained, or compensated by:

- the Borrower;
- the Sponsor;
- any Key Principal;
- any Guarantor;
- for an Acquisition, the seller or any related party; or
- any third party, including Mortgage Loan
  - Brokers, or



— Correspondents.

## ➡ Guidance

If final reports are unavailable, you may send draft versions of the

- PCA Report, and
- Environmental Site Assessments.

If the final reports differ materially from the drafts sent to the Appraiser, you must:

- forward the final reports to the Appraiser; and
- inquire whether the Appraisal should be updated based on the final reports.

## **202.02B** Permissible Appraiser Communications

### Requirements

When communicating with an Appraiser, you must comply with the Appraiser Communications table.

Appraiser Communications	
You may...	You must not...
<ul style="list-style-type: none"><li>• obtain supporting information for a specific market, including:<ul style="list-style-type: none"><li>- sales or rental comparable properties;</li><li>- rent or expense data;</li><li>- capitalization rate data;</li><li>- recent sales; or</li><li>- price per unit or square footage ranges;</li></ul></li><li>• provide all documents needed to accurately assess the Property's value per this Chapter;</li><li>• share or request additional supporting comparable property information; and</li><li>• request additional documents supporting the Appraiser's conclusions.</li></ul>	<p>provide any Mortgage Loan data, such as</p> <ul style="list-style-type: none"><li>• LTV,</li><li>• DSCR,</li><li>• amount, or</li><li>• Underwritten NCF.</li></ul>



## 202.02C Appraiser Independence

### Requirements

You must ensure no Person influences, or attempts to influence, the development, reporting, result, or review of an Appraisal through coercion, extortion, collusion, compensation, inducement, intimidation, bribery, or any other manner including:

- withholding, or threatening to withhold:
  - timely payment; or
  - future business;
- demoting or terminating, or threatening to demote or terminate, the Appraiser or any Appraiser employee;
- promising, either expressly or implicitly, the Appraiser or any Person related to the Appraiser:
  - future business;
  - promotions; or
  - increased compensation, including
    - financial benefits, or
    - non-financial benefits;
- conditioning the Appraisal order, or any bonus payment on
  - the Appraisal's opinion of the Property's value, or
  - a requested preliminary value estimate;
- any Appraiser communications (other than providing a copy of the purchase/sales contract for an Acquisition) regarding the Property's anticipated, estimated, encouraged, or desired:
  - comparable properties;
  - capitalization rates; or
  - value or value range;
- providing the Appraiser a proposed or targeted loan amount;
- impairing, or attempting to impair, through any other act or practice, the Appraiser's
  - independence,
  - objectivity, or



- impartiality; or
- violating compliance with any law or regulation, including the USPAP.

To ensure the Appraiser's independence, you must:

- implement written policies and procedures;
- ensure any Outside Parties involved in your Lender Appraisal Functions maintain Appraiser independence by confirming they do not also participate in your Lender Loan Origination Functions; and
- if requested, provide evidence confirming your Lender Loan Origination Functions are separate from your Lender Appraisal Functions.

### Guidance

Appraisal Independence	
To ensure compliance, your written policies should include...	That describe...
Procedures	how you maintain independence between the Lender Appraisal Function and Lender Loan Origination Functions through <ul style="list-style-type: none"><li>• organizational measures (e.g., an ethical wall),</li><li>• staffing, and</li><li>• written documentation.</li></ul>
Disciplinary Rules	the consequences for not complying with the requirements, including <ul style="list-style-type: none"><li>• promotion delays,</li><li>• compensation reductions, or</li><li>• termination, in very severe cases.</li></ul>



Appraisal Independence	
To ensure compliance, your written policies should include...	That describe...
Training Programs	<p>in-person or online training:</p> <ul style="list-style-type: none"><li>• designed to aid compliance with the requirements; and</li><li>• detailing policies outlining mandatory training<ul style="list-style-type: none"><li>- types,</li><li>- content,</li><li>- audiences, and</li><li>- frequency.</li></ul></li></ul>

## 202.02D Valuation Date

### Requirements

Valuation Date	
If the Appraisal Date is more than...	You must...
6 months before the Commitment Date	Instruct the Appraiser to update the Appraisal per Instructions for Appraisers (Form 4827).
12 months before the Commitment Date	Order a new Appraisal.

### Guidance

You may be required to obtain a new or updated Appraisal if Fannie Mae determines the market deteriorated between the

- Appraisal Date, and
- Commitment Date.

## 202.02E Appraisals Ordered by Another Lender

### Requirements



If you Deliver a Mortgage Loan with an Appraisal prepared by an Appraiser selected by another lender, you must:

- make all representations and warranties to Fannie Mae regarding the Appraisal; and
- confirm it complies with this Guide.

## **202.02F**   Lender Appraisal Review

### Requirements

Your Lender Appraisal Functions must:

- review and approve each Appraisal for adequacy and compliance; and
- ensure the Appraisal includes:
  - an accurate description of the Property and the market, including:
    - the Property's complete legal description;
    - any information you provided the Appraiser;
    - color photographs of the Property's
      - exterior,
      - interior common areas,
      - typical unit interiors,
      - surrounding area,
      - rental comparables,
      - sales comparables, and
      - commercial rental comparables;
    - maps showing the Property's location relative to the location of the
      - land comparables,
      - current rental comparables,
      - future rental comparables, and
      - sales comparables;
    - qualifications of the
      - Appraiser, and
      - any supervising Appraiser; and
    - a copy of your



- complete signed engagement letter with the Appraiser, and
- communications with the Appraiser regarding the Appraisal scope;
- an opinion of the Property's value per [Part II, Chapter 2: Valuation and Income, Section 202.03A: Appraised Value](#), and supported by
  - market data,
  - logical analysis, and
  - sound professional judgment;
- an opinion of the Property's insurable value; and
- an industry standard form of Appraisal appropriate for the Mortgage Loan's
  - size, and
  - structure.

Your Lender Appraisal Functions must:

- return any report to the Appraiser that:
  - is incomplete; or
  - lacks credibility; and
- ensure your Appraisal review:
  - is documented in the Transaction Approval Memo;
  - is accompanied by all other Appraisals you ordered on the Property during the past 3 years;
  - includes a statement describing how the PCA conclusions impacted your determination of the Underwriting Value; and
  - uses supporting data from
    - your multifamily mortgage loan portfolio,
    - verified third-party valuations,
    - DUS Insights, or
    - other reliable sources; and
- includes all information per the following Appraisal Analysis table.



## Appraisal Analysis

For...	You must...
Market Conditions	<p>Confirm the Appraisal accounts for current market conditions, including</p> <ul style="list-style-type: none"><li>• supply and demand dynamics,</li><li>• interest rates, and</li><li>• economic factors.</li></ul>
Data Accuracy	<p>Verify the Appraisal's data accuracy, including</p> <ul style="list-style-type: none"><li>• Property details,</li><li>• recent sales prices, and</li><li>• relevant market data.</li></ul>
Property Inspections	<p>Determine if the Appraiser conducted a thorough inspection of the Property, including random sampling of occupied and vacant units per Instructions for Appraisers (<a href="#">Form 4827</a>).</p>



## Appraisal Analysis

For...	You must...
Sales/Rental Comparable Analysis	<ul style="list-style-type: none"><li>• Determine if the Appraiser used appropriate comparable properties similar in:<ul style="list-style-type: none"><li>- size and/or unit count (on both a per-unit and a per-square foot basis);</li><li>- type (e.g., high-rise, mid-rise, garden, etc.);</li><li>- age;</li><li>- condition;</li><li>- in-unit finishes;</li><li>- amenities;</li><li>- location, including<ul style="list-style-type: none"><li>▪ market,</li><li>▪ submarket, and</li><li>▪ distance to subject; and</li></ul></li><li>- sales of comparable properties, with at least 1<ul style="list-style-type: none"><li>▪ being a listing/pending sale, or</li><li>▪ sold within 24 months of the Appraisal Date.</li></ul></li></ul></li><li>• If appropriate comparable properties were not used, either:<ul style="list-style-type: none"><li>- coordinate with the Appraiser to obtain additional comparable properties; or</li><li>- provide the Appraiser additional comparable properties from Appraisals<ul style="list-style-type: none"><li>▪ for any prior transactions you originated within the last 12 months before the Appraisal Date, or</li><li>▪ from any external data sources verifiable by the Appraiser.</li></ul></li></ul></li></ul>
Market Rents and Expense Analysis	If the Appraiser's proforma income or expenses substantially differ from the Property's income and expenses used to calculate the Underwritten NCF, provide additional supporting comparable property data or rationale supporting your conclusions.



Appraisal Analysis	
For...	You must...
Capitalization Rate Analysis	<p>Provide your assessment that the capitalization rate:</p> <ul style="list-style-type: none"><li>• supports your final Underwriting Value; and</li><li>• is within comparable capitalization rates compared to<ul style="list-style-type: none"><li>- your portfolio data, or</li><li>- any other external data sources you use to review appraisals.</li></ul></li></ul>
Value Reconciliation	<ul style="list-style-type: none"><li>• Review how the Appraiser reconciled the values obtained from different approaches to determine the final opinion of value.</li><li>• Document your assessment.</li></ul>

For each Appraisal, your Lender Appraisal Functions must ensure all:

- **Potential Red Flags for Mortgage Fraud and Other Suspicious Activity** were considered and the review documented in the Transaction Approval Memo; and
- unresolved red flags were reported per Part I, Chapter 3: Borrower, Guarantor, Key Principals, and Principals, Section 310: Compliance.

## 202.02G Subsequent Appraisals

### Requirements

For any Mortgage Loan, you must not order, obtain, use, or pay for a subsequent Appraisal unless:

- you document in your Transaction Approval Memo that the initial Appraisal:
  - was not credible; or
  - violated legal and/or professional standards related to
    - USPAP, or
    - nondiscrimination; and
- the subsequent Appraisal:
  - is required per your pre-established written pre- or post-funding Appraisal review policy;



- adheres to a policy of selecting the most reliable Appraisal rather than the Appraisal with the highest value; or
- is required by law.

## **202.02H** Appraiser Discontinuance or Misconduct

### Requirements

You must promptly notify:

- Fannie Mae if you discontinue using any Appraiser who completed Appraisals within the past 12 months for Mortgage Loans you Delivered; and
- Fannie Mae and the applicable state Appraiser certifying and licensing agency, or other regulatory body, if you believe an Appraiser is:
  - violating USPAP, fair lending, fair housing, or other applicable laws;
  - not complying with Instructions for Appraisers ([Form 4827](#)) in violation of its engagement with you; or
  - engaging in unethical conduct.



# Glossary

## A

### Acquisition

Any Purchase of either the:

- Property's fee simple or leasehold interest via a deed transfer; or
- Controlling Interest in the Borrower.

#### **Synonyms**

- Acquisitions

### Appraisal

Written statement independently and impartially prepared by a qualified Appraiser stating an opinion of the Property's market value

- as of a specific date, and
- supported by the presentation and analysis of relevant market information.

#### **Synonyms**

- Appraisals
- Appraisal's

### Appraisal Date

Effective date of value in the Appraisal.

### Appraised Value

Appraiser's opinion of the Property's market value documented in the Appraisal, on an "as is" basis, unless use of an "as completed" basis is specifically permitted per the Guide.

#### **Synonyms**

- Appraised Values

### Appraiser

Person engaged to estimate a Property's market value per USPAP.

#### **Synonyms**

- Appraiser's
- Appraisers



## B

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

**Synonyms**

- Borrowers
- Borrower's

## C

**Commitment Date** Date a Commitment is confirmed by Fannie Mae per [Part IV, Chapter 2: Rate Lock and Committing, Section 204: Commitments](#).

## D

**DUS** Delegated Underwriting and Servicing

## F

**FIRREA** Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

## G

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

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

**Synonyms**

- Guarantors

**Guide** Multifamily Selling and Servicing Guide controlling all Lender and Servicer requirements unless a Lender Contract specifies otherwise.

**Synonyms**

- DUS Guide

## 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 Appraisal Function

The Lender:

- internal roles or job functions, including any employees that report up to the Chief Underwriter (but excluding any Lender Loan Origination Functions), involved with the following Appraisal-related responsibilities:
  - engaging the Appraiser;
  - defining the Appraisal's scope of work;
  - managing the Appraiser; or
  - reviewing the Appraisal; and
- employees or Outside Parties who perform or manage those job functions.

### Synonyms

- Lender Appraisal Functions

### Lender Loan Origination Function

Any:

- Lender internal roles or job functions reporting up to the Chief Production Officer;
- Lender employees who receive a commission or bonus if the Mortgage Loan closes, including any employees or functions that report up to these roles and/or their immediate supervisor;
- Mortgage Loan Brokers; or
- Correspondents.

### Synonyms

- Lender Loan Origination Functions

## M



Moderate Rehabilitation Property	Property that will undergo at least \$8,000 per unit of Rehabilitation Work.
	<b>Synonyms</b> <ul style="list-style-type: none"><li>• Moderate Rehabilitation</li></ul>
Mortgage Loan	Mortgage debt obligation evidenced, or when made will be evidenced, by <ul style="list-style-type: none"><li>• the Loan Documents, or</li><li>• a mortgage debt obligation with a Fannie Mae credit enhancement.</li></ul>
	<b>Synonyms</b> <ul style="list-style-type: none"><li>• Mortgage Loans</li><li>• Mortgage Loan's</li></ul>
<b>P</b>	
PCA Report	Property Condition Assessment Report documenting the findings of a PCA.
Person	Legal person, including an <ul style="list-style-type: none"><li>• individual,</li><li>• estate,</li><li>• trust,</li><li>• corporation,</li><li>• partnership,</li><li>• limited liability company,</li><li>• financial institution,</li><li>• joint venture,</li><li>• association, or</li><li>• other organization or entity (whether governmental or private).</li></ul>
	<b>Synonyms</b> <ul style="list-style-type: none"><li>• Persons</li><li>• Person's</li></ul>



**P**roperty      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

**S**

**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

**U**

**Underwriting Value**      Value of the Property determined by the Lender to size the Mortgage Loan per Part II, Chapter 2: Valuation and Income, Section 202: Appraisal and Valuation.

**USPAP**      Uniform Standards of Professional Appraisal Practice