



Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of December 1, 2025

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TABLE OF CONTENTS

Part II Section 202.02F Lender Appraisal Review 3

GLOSSARY 8



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



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



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

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](#).



Glossary

A

Appraisal	<p>Written statement independently and impartially prepared by a qualified Appraiser stating an opinion of the Property's market value</p> <ul style="list-style-type: none">• as of a specific date, and• supported by the presentation and analysis of relevant market information. <p>Synonyms</p> <ul style="list-style-type: none">• Appraisals• Appraisal's
Appraisal Date	<p>Effective date of value in the Appraisal.</p>
Appraised Value	<p>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.</p> <p>Synonyms</p> <ul style="list-style-type: none">• Appraised Values
Appraiser	<p>Person engaged to estimate a Property's market value per USPAP.</p> <p>Synonyms</p> <ul style="list-style-type: none">• Appraiser's• Appraisers

B

Borrower	<p>Person who is the obligor per the Note.</p> <p>Synonyms</p> <ul style="list-style-type: none">• Borrowers• Borrower's
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D

DUS Delegated Underwriting and Servicing

G

Guarantor Key Principal or other Person executing a

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

Synonyms

- Guarantors

L

Lender Person Fannie Mae approved to sell or service Mortgage Loans.

Synonyms

- Lenders
- Lender's

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

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](#).