



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 501.01D Risk Retention Groups and Captive Insurance 3

GLOSSARY 7



501.01D Risk Retention Groups and Captive Insurance

Requirements

You must ensure Risk Retention Groups and Captive Insurers are only accepted for:

- the following coverages:
 - professional liability;
 - general liability;
 - excess/umbrella;
 - Property insurance layer, but coverage must not be provided through a layer that constitutes the majority of the coverage; and
 - terrorism, when backed by the Terrorism Risk Insurance Program (TRIA); and
- funding Property and liability deductibles.

You must ensure any Risk Retention Group or Captive Insurer has a rating of at least A- / VII from A.M. Best Company.

For any Risk Retention Group or Captive Insurer that is not satisfactorily rated, before Rate Lock, you must:

- obtain and review the applicable information in the Unrated Risk Retention Group or Captive Insurer table; and
- submit a
 - written summary, and
 - recommendation for approval, explaining
 - any non-compliant requirements,
 - any adverse findings, and
 - your rationale for recommending approval.



Unrated Risk Retention Group or Captive Insurer	
Document/Entity	Description
Certificate of Authority (CA)	<p>State-issued license to an insurance company to conduct business, and includes the</p> <ul style="list-style-type: none">• date of authority,• complete Captive Insurer name, and• state of domicile.
State Examination Report	<p>Report covering a specific timeframe that:</p> <ul style="list-style-type: none">• reviews the company's:<ul style="list-style-type: none">- balance sheet (including assets, liabilities, capital, and surplus);- statement of income;- investments;- premiums;- reinsurance assumed and ceded;- unpaid losses and loss adjustment expense;and<ul style="list-style-type: none">- losses and loss adjustment expense incurred;and• ascertains its:<ul style="list-style-type: none">- financial condition;- ability to fulfill obligations; and- compliance with applicable state laws and regulations.
Actuarial Report	<p>Report culminating with a statement of actuarial opinion (minimum requirement) after evaluating, opining, and certifying the adequacy of the Captive Insurer's</p> <ul style="list-style-type: none">• open and paid losses,• loss adjustment expense reserves,• capital, and• surplus.
Loss History	<p>Frequency and severity of insurance losses covered by the Captive Insurer's policy during a specific timeframe.</p>



Unrated Risk Retention Group or Captive Insurer	
Document/Entity	Description
Reinsurance and/or Fronting Company	<p>Reinsurance is when an insurer transfers all or part of a risk to another insurer to reduce the risk for the first insurance.</p> <p>Fronting company is using a licensed, admitted insurer to issue an insurance policy on behalf of a self-insured organization or Captive Insurer without intending to transfer any of the risk. The risk of loss is retained by the self-insured or Captive Insurer with an indemnity or reinsurance agreement.</p>
Captive Insurer	<p>Captive Insurer is either a:</p> <ul style="list-style-type: none">• single parent captive (pure captive) - when an insurance subsidiary insures the loss exposures of its parent company or single entity; or• group captive a captive owned by several different companies who are normally<ul style="list-style-type: none">- from the same industry, and- have similar risks.

Guidance

Captive Insurers (and similar arrangements):

- may have lower capitalization requirements than traditional insurance companies; and
- are not usually rated by a recognized rating agency.

For Captive Insurers, you should:

- confirm they
 - are financially stable, and
 - have adequate funds to cover potential losses; and
- review additional documents as warranted.

Operating Procedures



You must submit all documents for unrated Captive Insurers or Risk Retention Groups:

- through DUS Gateway, for new Mortgage Loan submissions; and
- annually through the MAMP, for Portfolio Mortgage Loans.



Glossary

C

Captive Insurer Insurance company wholly owned and controlled by its insureds, whose primary purpose is to insure the risks of its owners, and its insureds benefit from the captive insurer's underwriting profits.

Synonyms

- Captive Insurer's
- Captive Insurers

D

DUS Gateway Multifamily pre-acquisition system, or any successor systems, recording deal registration, Pre-Review and/or waiver tracking, Mortgage Loan Commitments, and decision records.

M

MAMP Multifamily Asset Management Portal used to submit

- Property inspections,
- operating statements,
- requested modifications,
- asset management reports, and
- data corrections for loan or property attributes.

Synonyms

- Multifamily Asset Management Portal
- MAMP's



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

Rate Lock

Agreement between you and the Investor containing the terms of the Lender-Arranged Sale or Multifamily Trading Desk trade of the Mortgage Loan and the MBS terms and conditions relating to the underlying MBS, if applicable, which may be documented via a recorded telephone conversation.

Synonyms

- Rate Locks



Risk Retention Group

State-chartered insurance company created by the 1986 federal Liability Risk Retention Act, insuring commercial businesses and government entities against liability risks.

Synonyms

- RRG
- Risk Retention Groups