

# Multifamily Selling and Servicing Guide

Effective as of November 4, 2025

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## **401.03** Validating Rent Collections, Bad Debt, and Secondary Income

#### ▼ Requirements

When validating rent collections, you must:

- review 1 of the following:
  - a cash ledger;
  - receipts journal;
  - at least 3 months of bank statements confirming the rent deposits; or
  - similar documents;
- meet with the site manager to obtain and discuss:
  - an accounts receivable report; or
  - past rent due report;
- compile a lease audit form or record to validate the lease terms against the Property's rent roll; and
- document your findings in the Transaction Approval Memo.

You must use the Appraisal, other comparable Property information, or third-party data sources to validate secondary income related to:

- ratio utility billing system (RUBS);
- cable;
- laundry;
- parking; or
- any other tenant income.

# Guidance

You should confirm the management company uses:

- acceptable practices for day-to-day operations; and
- industry-standard software systems to generate detailed reports.

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You may obtain sample management company reports, such as

rent rolls,



- operating statements,
- operating budgets,
- capital improvement plans, and
- marketing.

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# **Glossary**

# A

### **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

# 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