Fannie Mae®

Multifamily Selling and Servicing Guide

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402.01B Selecting Units

☑ Requirements

To determine the minimum number of units to inspect, you must:

- use the Physical Property Inspection table; and
- increase the number by 25% if some units are not accessible.

Physical Property Inspection	
For Properties with...	You must inspect at least...
5 - 9 units	all available units.
10 - 100 units	the greater of • 5 units or • 10% of all units.
101 - 300 units	10% of all units.
301 - 900 units	40 units.
901+ units	50 units.

When choosing which units to inspect, you must:

- randomly select floors and units;
- include:
  - all unit types and as many different floors as possible;
  - units from all buildings;
  - all units vacant for more than 90 days, unless the Property is a Near Stabilized Property;
  - all down units (i.e., units that cannot currently be rented in the normal course of business); and
  - any additional units you deem appropriate based on
    - Property type,
    - other factors, or
    - the results of your initial inspection.

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Glossary

D

Down Unit	Unit currently not rentable in the normal course of business due to requiring more than routine maintenance and repairs. **Synonyms** • Down Units

G

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

N

Near Stabilized Property	Newly constructed or recently rehabilitated Property, with all construction or rehabilitation complete, which is expected to achieve Stabilized Residential Occupancy and the applicable required Underwritten Debt Service Coverage Ratio within 120 days after the Mortgage Loan Origination Date.

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

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