

Multifamily Selling and Servicing Guide

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502.03A Generally

> Operating Procedures

To determine if any buildings located at the Property are, or will be, fully or partially located in an SFHA, you must:

- use the FEMA Standard Flood Hazard Determination Form (SFHDF);
- evaluate all Property structures when ordering the SFHDF;
- provide the vendor supplemental Property information including the
 - legal description, and
 - survey or site plan;
- obtain an image overlay from Flood Vendor;
- ensure the resulting Flood Zone Determination (FZD) form, and any subsequent FZD forms, are effective for the entire Mortgage Loan term; and
- retain a signed copy in your Servicing File.

▼ Requirements

You must ensure the Property has flood insurance if:

- any income-producing Improvements or any non-income producing Improvements that support amenities are in an SFHA Zone starting with the letter A or V; or
- the Property is located within a Coastal Barrier Resources System (CBRS) or Otherwise Protected Area (OPA), regardless of if the Property is located in an SFHA.

A Mortgage Loan is ineligible for purchase if the Property is in:

- an SFHA; and
- a community that does not participate in the NFIP.

You must:

complete the most recent version of the Standard Flood Hazard Determination Form issued by FEMA;

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retain in your Servicing File a



- copy of the form, and
- signed copy of Notice to Borrower of Special Flood Hazard and Federal Assistance;
- require the determination firm, and any monitoring company, to notify you whenever there is a flood zone change; and
- ensure the coverage:
 - meets the minimum mandatory purchase requirements per:
 - the following Federal flood insurance statutes, as amended and/or restated from time to time, including the:
 - National Flood Insurance Act of 1968 (1968 Act);
 - Biggert-Waters Flood Insurance Reform Act of 2012 (Biggert Waters);
 - Flood Disaster Protection Act of 1973 (FDPA); and

Homeowner Flood Insurance Affordability Act of 2014; and

- any applicable Federal agency rulemaking and publication; and
- equals at least 100% of the Insurable Value of
 - the first 2 floors above grade, and
 - any Improvements below grade;
- require contents coverage for Borrower-owned personal property;
- ensure you have an established process to obtain an inventory and the Insurable Value of Borrower-owned contents or business personal property within buildings located in SFHAs to determine required coverage; and
- retain documentation of the presence or absence of Borrower-owned contents or business personal property within the building and in your Servicing File.

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Guidance

Generally, contents or business personal property:

- includes equipment and inventory
 - owned by the Borrower, and
 - used in connection with Property's



- ownership,
- management, or
- operation; and
- does not otherwise constitute fixtures.

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Glossary

B

Borrower

Person who is the obligor per the Note.

Synonyms

- Borrowers
- · Borrower's

F

FEMA

Federal Emergency Management Agency

Synonyms

• FEMA's

H

Homeowner

For an MH Community, a tenant of the Borrower who pays ground rent to the owner for use and occupancy of the MH Site and for use of the MH Community's utilities and amenities.

Synonyms

Homeowners

I

Improvements

Buildings, structures, improvements, and alterations, including the multifamily housing dwellings, now or hereafter constructed or placed on the Property, including all fixtures (as defined in the UCC).

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Synonyms

• Improvements'



Insurable Value

For any Property, the estimate of the maximum dollar amount needed to replace, repair, or reproduce the Property, but excluding any land value.

Synonyms

• Insurable Values

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

S

Servicing File

Your file for each Mortgage Loan serviced.

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Synonyms

Servicing Files