



Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of September 28, 2026

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506.05 Professional Liability Insurance

Requirements

If architects, engineers, or other licensed design professionals perform services for the Construction Activity, you must ensure:

- professional liability coverage is maintained from the date professional services for the Construction Activity begin through the later of the:
 - completion of all professional services related to the Construction Activity; or
 - Construction Activity Completion Date;
- coverage limits are at least
 - \$1 million per claim or per occurrence, and
 - \$2 million general aggregate; and
- any Claims-Made Policy includes a retroactive date preceding the Construction Activity Start Date.

If the Borrower changes its coverage from a Claims-Made Policy to an Occurrence-Based Policy, you must ensure the Borrower obtains retroactive or tail coverage to ensure past exposures remain protected.



Glossary

B

Borrower Person who is the obligor per the Note.

Synonyms

- Borrowers
- Borrower's

C

Construction Activity Construction, renovation, or restoration of Improvements:

- beginning on the Construction Activity Start Date; and
- ending on the Construction Activity Completion Date.

Construction Activity Completion Date The later of the date when:

- substantial completion is achieved; or
- any required certificates of occupancy, licenses, or permits required by applicable law following completion of the Construction Activity are issued.

Construction Activity Start Date The earlier of the date:

- physical work at the Property commences; or
- delivery of materials (whether located onsite or offsite) intended to be used in the construction of Improvements occurs.

G

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

Synonyms

- DUS Guide