Multifamily Selling and Servicing Guide

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Section 101

Generally

☑️ Requirements

For a Mortgage Loan to be eligible for purchase, it must be secured by a multifamily residential property that meets all of the following:

- contains at least 5 dwelling units;
- has suitable bathroom and cooking facilities located within each unit;
- is located in 1 of the 50 states of the United States, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, or Guam;
- is located on a publicly dedicated, all-weather road, or is accessible by a satisfactory easement from this type of road;
- consists of either a single parcel or contiguous parcels that adjoin or are separated only by dedicated or private streets;
- has adequate water and sewer service, which may be delivered by a public utility or, where commercially acceptable for the market area, by a private system or utility;
- offers a suitable level of utility service (e.g., electrical, natural gas, plumbing, refuse removal, etc.) for the market area;
- either complies with all applicable statutes, rules, regulations, and housing and building codes, or is being appropriately remediated;
- does not contain any Modular Housing; and
- has access to police and emergency services.

When a Property consists of multiple parcels, these parcels must:

- be operating as a single project;
- be within the same submarket;
- not be separated by a major traffic artery; and
- make available to all tenants the amenities located on any parcel.

➡️ Guidance

You should also consider the following when a Property consists of multiple parcels:

- Rents at a parcel should not be lower because amenities are located on another parcel.
- Vacancy levels at a parcel should not be higher because of the Property’s
configuration.
Glossary

M

Modular Housing  Property on which the Improvements consist of factory-built housing not built on a permanent chassis, such as modular, prefabricated, panelized, or sectional housing and is not considered manufactured housing.

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

P

Property  Multifamily residential property securing the Mortgage Loan and including the land (or Leasehold interest in land), Improvements, and personal property (as defined in the Uniform Commercial Code).

Synonyms
• Properties
• Property's