



Fannie Mae®

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# Multifamily Selling and Servicing Guide

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## Section 502 Eligible Properties

### 502.01 Eligible Properties

#### Requirements

You must ensure that a Seniors Housing Property has the following design features:

- convenience features for the elderly in all units, such as grab bars in the bathrooms and emergency pull-cords or equivalent safety items;
- a fully operational sprinkler system throughout each level of each building (including all units and common areas), regardless of local building code or other governmental requirements;
- a commercial kitchen for preparing meals for residents;
- kitchens or kitchenettes containing a refrigerator, microwave or comparable cooking element, and sink in each Independent Living unit, and also in, each Assisted Living unit if consistent with the market; and
- bathrooms in each Independent Living and Assisted Living unit.

### 502.02 Ineligible Properties

#### Requirements

Fannie Mae will not purchase any Mortgage Loan secured by a Seniors Housing Property:

- comprised of only Skilled Nursing units;
- that does not meet the Skilled Nursing NCF Test per [Part III, Chapter 5: Seniors Housing Properties, Section 504.02: Skilled Nursing NCF Test](#); or
- if the original Seniors Housing Mortgage Loan UPB exceeds 100% of the portion of the Appraised Value
  - attributed to land and all Improvements, but
  - excluding any portion attributed to goodwill, business value, intangibles, and/or furniture, fixtures, and equipment.



# Glossary

## A

**Appraised Value** Appraiser's opinion of the Property's market value documented in the Appraisal, on an "as is" basis, unless use of an "as completed" basis is specifically permitted per the Guide.

**Synonyms**

- Appraised Values

**Assisted Living** Seniors Housing Property offering services limited to non-medical personal care, including ADL assistance, which are typically licensed and regulated by a state or local governmental authority.

**Synonyms**

- AL

## 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).

**Synonyms**

- Improvements'

**Independent Living** Seniors Housing providing limited programs of assistance for domestic activities (e.g. meals, housekeeping, activities, transportation, etc.), and typically resembles market rate units.

**Synonyms**

- IL

## 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

## **S**

### Seniors Housing Property

Multifamily residential rental property with any combination of Independent Living, Assisted Living, Alzheimer's/Dementia Care, or Skilled Nursing units.

### **Synonyms**

- Seniors Housing
- Seniors Housing Properties

### Skilled Nursing

Seniors Housing Property with units that are highly regulated and provide 24-hour resident supervision and registered nursing care services.

## **U**

### UPB

Unpaid Principal Balance

### **Synonyms**

- UPBs