Fannie Mae®

# Multifamily Selling and Servicing Guide

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## 507.02 Management and Operations Reports

### Requirements

You must obtain management and operations reports for the Property that assess:

- competency, performance, and experience of management at the corporate, regional, and Property levels;
- qualifications of key personnel,
  - noting their experience and length of time in current positions at the Property, and
  - including copies of available resumes;
- hiring and screening practices and personnel policies (such as employee handbooks, orientation materials, initial and in-service training materials, available resources);
- staffing levels, composition, and qualifications;
- risk management policies and procedures, including an analysis of the backgrounds of individuals employed to handle insurance and risk management matters;
- policies and procedures supporting and aligning resident services;
- availability and use of home health services, including whether
  - home health services are available,
  - home health services are provided by the Borrower, the Seniors Housing Operator, an Affiliate of the Borrower or the operator, or a third party, and
  - the home services provider leases space at the Property;
- policies and procedures for documenting residents well-being (such as periodic resident assessments, tracking the general health condition of each resident, resident safety and evacuation plans);
- content of the admission application and the residency or lease agreement;
- resident turnover data;
- availability of replacements for the Seniors Housing Operator; and
- overall management and operations, including an analysis and detailed recommendations for any other matters material to the ownership,

operation, or management of the Property.

# Glossary

## A

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|---|---|
| Affiliate | When referring to an affiliate of a Lender, any other Person or entity that Controls, is Controlled by, or is under common Control with, the Lender.<br>When referring to an affiliate of a Borrower or Key Principal:<br>• any Person that owns any direct ownership interest in Borrower or Key Principal;<br>• any Person that indirectly owns, with the power to vote, 20% or more of the ownership interests in Borrower or Key Principal;<br>• any Person Controlled by, under common Control with, or which Controls, Borrower or Key Principal;<br>• any entity in which Borrower or Key Principal directly or indirectly owns, with the power to vote, 20% or more of the ownership interests in such entity; or<br>• any other individual that is related (to the third degree of consanguinity) by blood or marriage to Borrower or Key Principal.<br><br>**Synonyms**<br>• Affiliates<br>• Affiliate's |

## B

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|---|---|
| Borrower | Person who is the obligor per the Note.<br><br>**Synonyms**<br>• Borrowers<br>• Borrower's |

## L

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|---|---|
| Lease | Written agreement between an owner and the tenant of a Property stipulating the conditions for possession and use of real estate for a specified period of time and rent.<br><br>**Synonyms**<br>• Leases |

# P

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|---|---|
| Property | Multifamily residential real estate securing the Mortgage Loan, including the<br>• fee simple or Leasehold interest,<br>• Improvements, and<br>• personal property (per the Uniform Commercial Code).<br><br>**Synonyms**<br>• Properties<br>• Property's |

# R

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|---|---|
| Replacements | Capital item replacements and major maintenance needs identified by the Property Condition Assessment or otherwise required.<br><br>**Synonyms**<br>• Replacement |

# S

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|---|---|
| Seniors Housing Property | Multifamily residential rental property with any combination of Independent Living, Assisted Living, Alzheimers/Dementia Care, or Skilled Nursing units.<br><br>**Synonyms**<br>• Seniors Housing<br>• Seniors Housing Properties |

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