



Multifamily Selling and Servicing Guide

Effective as of November 25, 2019

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TABLE OF CONTENTS

| | |
|---|---|
| Part III Section 603.01C MH Community | 3 |
| GLOSSARY | 5 |



603.01C MH Community

Requirements

An MH Community Mortgage Loan must be secured by a first priority Lien on an MH Community that:

- has a minimum of 50 MH Sites;
- is made up of contiguous parcels or, if the MH Community is made up of Non-Contiguous Parcels, then:
 - all parcels are located within the same MSA; and
 - each separate parcel (individually), and all Non-Contiguous Parcels (together), comply with the Guide; and
- achieves at least a Level 3 Quality Rating per the Manufactured Housing Community Quality Rating Standards table in [Part III, Chapter 6: Manufactured Housing Communities, Section 603.02: MH Community Score](#).

An MH Community must be served by either

- public underground utilities, or
- private sewage treatment plants, septic systems, and private water wells which are:
 - common for the market;
 - owned by the Borrower or an Affiliate; and
 - in compliance with all applicable government requirements.

Guidance

The Mortgage Loan may be secured by either an Age-Restricted MH Community or an All-Age MH Community.

You should consider the following:

- For an MH Community that is more than 25 years old, does the Borrower have a plan for placing new Manufactured Homes in the MH Community as MH Sites with older Manufactured Homes are vacated?
- Are the landscaping and entrance signage high quality and well maintained?
- For an MH Community served by a private sewage treatment plant, septic system, or a private water well, then:



- Address the availability and cost of obtaining a backup source for water if the MH Community has a private water well.
- Ensure that the operator of the facility, including its employees and contractors, meet all applicable government requirements to perform ongoing operation and maintenance.
- If the operator is an employee of the Borrower, identify a local, qualified vendor that could be retained if substitute services are needed.
- Exercise reasonable due diligence, including contacting municipal agencies, to confirm that
 - the MH Community’s connection to a municipal system has not been mandated, and
 - no mandate is expected to occur during the term of the Mortgage Loan.
- If hookup is imminent, determine if an escrow for the cost is appropriate.



Glossary

A

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.

When referring to an affiliate of a Borrower or Key Principal:

- any Person that owns any direct ownership interest in Borrower or Key Principal;
- any Person that indirectly owns, with the power to vote, 20% or more of the ownership interests in Borrower or Key Principal;
- any Person Controlled by, under common Control with, or which Controls, Borrower or Key Principal;
- 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
- any other individual that is related (to the third degree of consanguinity) by blood or marriage to Borrower or Key Principal.

Synonyms

- Affiliates

Age-Restricted MH Community

MH Community that limits residents to those who are over a particular age (e.g., persons who are age 62 or older, or at least 80% of the Manufactured Homes occupied by at least 1 person who is age 55 or older).

All-Age MH Community

MH Community that accepts residents of any age.

B

Borrower

Person who is the obligor under the Note.

Synonyms

- Borrowers
- Borrower's



G

Guide

Multifamily Selling and Servicing Guide and Delegated Underwriting and Servicing Guide, including any exhibits, appendices, or other referenced forms, as updated, amended, restated, modified, or supplemented by any lender memo; provided, however, if a topic is covered in the Multifamily Selling and Servicing Guide, that Guide shall control unless a Lender Contract specifically requires use of another Guide.

Synonyms

- DUS Guide

L

Lien

Lien, mortgage, bond interest, pledge, security interest, charge, or encumbrance of any kind.

Synonyms

- Liens

M

Manufactured Housing Community

Residential real estate development with lots on which manufactured homes are located, together with amenities, utility services, landscaping, roads, and other infrastructure.

Synonyms

- Manufactured Housing Property
- MH Community
- MH Communities
- MHC

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



N

Non-Contiguous Parcels

Multiple parcels of land securing a Mortgage Loan that do not share common boundaries or that are separated by dedicated or private streets that are major arterials.

Synonyms

- Non-Contiguous Parcel