

# Multifamily Selling and Servicing Guide

Effective as of December 1, 2025

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Effective: 12/01/2025



#### **603.04** Flood Zone

#### **603.04A** Rising Water

### Requirements

For an MH Community located in a flood zone with rising water (e.g., flood water that quickly dissipates and flood zone A or AE) you must ensure the Borrower notifies all Homeowners and all tenants of Borrower-owned or Affiliate-Owned Homes occupying an MH Site located in the flood zone before the Mortgage Loan Origination Date.

#### For Manufactured Homes located in a rising water flood zone...

#### If you

- do not know the base flood elevation for the flood zone (e.g., flood zone A), or
- know that the living floor levels are below the base flood elevation

#### Then:

- you must calculate the Underwritten DSCR excluding the site rent for Manufactured Homes with living floor levels within the flood zone; and
- if the resulting Underwritten DSCR decreases to more than 10 basis points below the minimum Tier 2 standard, you cannot underwritethe site rent for those Manufactured Homes.

#### **603.04B** Moving Water

## ▼ Requirements

For an MH Community located in a flood zone with the potential for flooding due to moving water (e.g., typically in flood zone A and AE and located next to a stream, river, etc.), you must ensure:

- your underwriting assumes that MH Sites located in the flood zone are considered non-income producing MH Sites; and
- the Borrower notifies all Homeowners and all tenants of Borrower-owned or Affiliate-Owned Homes occupying an MH Site located in the flood zone before the Mortgage Loan Origination Date.

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## 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
- · Affiliate's

## $\mathbf{B}$

Borrower

Person who is the obligor per the Note.

## **Synonyms**

- Borrowers
- Borrower's

## $\mathbf{M}$

Mortgage Loan Origination Date

Date you fund a Mortgage Loan to the Borrower.

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### **Synonyms**

- Mortgage Loan's Origination Date
- Origination Date