



# Multifamily Selling and Servicing Guide

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## Section 906

## Property Management

### Requirements

To ascertain the property management requirements, you must determine how many years of experience, as of the Commitment Date, the Borrower or any Key Principal has owning or managing at least 1 multifamily property that is similar in size to the Property, based on the following:

Similar in Size	Unit Range
Small Properties	5 50 units
Medium Properties	51 100 units
Large Properties	101 or more units

As of the Commitment Date, a non-Local Borrower must have at least 2 years of multifamily property management experience with a property similar in size or larger than the Property.

Property management requirements are as follows.

Property Size	Professional property management or qualified on-site manager required if...
Less than 10 residential units	non-Local Borrower.
10 or more residential units	<ul style="list-style-type: none"><li>• non-Local Borrower, or</li><li>• Local Borrower with less than 2 years of experience with a property similar in size or larger.</li></ul>

### Guidance

A professional property management company should have an office within 100 miles of the Property and use a written management agreement that complies with [Part II, Chapter 1: Attributes and Characteristics, Section 108: Property Management and Agreement](#).

A qualified on-site manager

- is not required to be a Property resident,
- should generally be on-site during normal business hours, and
- for at least 2 years the before the Commitment Date, should have either successfully managed the Property or have demonstrated management



experience with a property similar in size or larger than the Property.



# Glossary

## B

**Borrower** Person who is the obligor under the Note.

**Synonyms**

- Borrowers
- Borrower's

## C

**Commitment Date** Date a Commitment is confirmed by Fannie Mae as described in [Part IV A, Chapter 3: Committing](#).

## K

**Key Principal** Person(s) who control and/or manage the Borrower or the Property, are critical to the successful operation and management of the Borrower and the Property, and who may be required to provide a Guaranty.

**Synonyms**

- Key Principals

## L

**Local Borrower** For Small Mortgage Loans, a Borrower or at least 1 Key Principal of the Borrower that has a primary residence located within 100 miles of the Property.

## 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