

Multifamily Selling and Servicing Guide

Effective as of November 4, 2025

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Section 907 Property Condition

907.01 Lender's Site Inspection and Lease Audit

▼ Requirements

You must:

- comply with Part II, Chapter 4: Lease Audits, Inspections, and Reserves, Section 401: Lease Audit; and
- not Deliver any Small Mortgage Loan if the Property's estimated Completion/Repair costs are greater than 10% of the UPB.

907.02 Site Inspection by Borrower

Requirements

You must ensure that the Borrower or the Key Principal:

- Conducts a physical inspection of the Property.
- Certifies in the Multifamily Underwriting Certificate (Form 6460) that the physical inspection has been performed.

907.03 PCA

✓ Requirements

You must comply with Part II, Chapter 4: Lease Audits, Inspections, and Reserves, Section 404: Property Condition Assessment (PCA).

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Glossary

\mathbf{B}

Borrower

Person who is the obligor per the Note.

Synonyms

- Borrowers
- · Borrower's

K

Key Principal

Person who

- controls and/or manages the Borrower or the Property,
- is critical to the successful operation and management of the Borrower and the Property, and/or
- may be required to provide a Guaranty.

Synonyms

- Key Principals
- Key Principal's

L

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.

Synonyms

Leases

M

Multifamily Underwriting Certificate

Multifamily Underwriting Certificate (Form 6460 series), and/or other agreement approved by Fannie Mae that provides underwriting information for a Mortgage Loan.

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P



Property

Multifamily residential real estate securing the Mortgage Loan, including the

- fee simple or Leasehold interest,
- · Improvements, and
- personal property (per the Uniform Commercial Code).

Synonyms

- Properties
- Property's

Property Condition Assessment

Assessment of the Property's physical condition and historical operation.

Synonyms

- PCA
- PNA
- Physical Needs Assessment
- PCAs

S

Small Mortgage Loan

Mortgage Loan with an original loan amount less than or equal to \$9 million.

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Synonyms

Small Mortgage Loans



UPB

Unpaid Principal Balance

Synonyms

• UPBs