



Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of September 25, 2023

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TABLE OF CONTENTS

Part III Section 907.01 Site Inspection by Lender or Other Third Party	3
GLOSSARY	5



907.01 Site Inspection by Lender or Other Third Party

Requirements

You must ensure:

- a physical inspection of the Property is performed (including any Property securing a Small Mortgage Loan that is also a Choice Refinance Loan);
- the physical inspection addresses special hazards, zoning, building and fire code violations, and regulatory compliance per the Instructions for Performing a Multifamily Property Condition Assessment ([Form 4099](#));
- the person performing the inspection and completing the MBA Standard Inspection Form meets the requirements for a PCA Consultant per [Part II, Chapter 4: Inspections and Reserves, Section 402.03: Conducting the PCA](#), and is:
 - your employee;
 - an appraiser; or
 - a third-party inspector.

If a non-employee appraiser or other third-party inspector performs the physical inspection, you must also have an employee visit the Property.

The site inspection must provide you with enough information to complete the MBA Standard Inspection Form, including:

- an assessment of the current condition of the Property;
- an identification and cost estimate of any Immediate Repairs, which must be included in the appropriate Completion/Repair Agreement; and
- a general estimate of anticipated replacement and major maintenance needs.

For any Property consisting of multiple buildings, the site inspection must address the condition of all roofs, HVAC equipment, exterior façades, parking lots, exterior walkways, and balconies.

If a Mortgage Loan has a term greater than 10 years, then you must ensure that a new site inspection is performed in the 10th year of the loan term.

The date of the site inspection must meet the timing requirements for a PCA in [Part II, Chapter 4: Inspections and Reserves, Section 402: Property Condition Assessment \(PCA\)](#).

You must not Deliver any Small Mortgage Loan secured by a Property that



has:

- an overall rating on the MBA Standard Inspection Form that does not comply with [Part II, Chapter 4: Inspections and Reserves, Section 401: Site Inspection and Lease Audit](#); or
- deferred maintenance with repair costs greater than 10% of the UPB.



Glossary

C

Choice Refinance Loan Mortgage Loan refinancing a Portfolio Mortgage Loan using streamlined underwriting per [Part III, Chapter 18: Choice Refinance Loans](#).

Synonyms

- Choice Refinance Loans

Completion/Repair Agreement

The 4000 series Completion/Repair Security Agreement (Form 4505), or other agreement approved by Fannie Mae, that evidences the:

- Borrower's agreement to perform Completion/Repairs and other identified capital improvements;
- terms for funding the repairs, maintenance, or capital items; and
- disbursement of Completion/Repair Escrow funds.

Synonyms

- Completion/Repair Agreements

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

MBA

Mortgage Bankers Association

Synonyms

- MBA's



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
- Mortgage Loan's

P

PCA Consultant

Individual or firm conducting a PCA and preparing a PCA Report.

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 current physical condition and historical operation of the Property.

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.

Synonyms

- Small Mortgage Loans

U

UPB

Unpaid Principal Balance