



Fannie Mae®

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# Multifamily Selling and Servicing Guide

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## 403.02A Generally

### Requirements

After the Borrower selects the Efficiency Measures, you must:

- Include the selected Efficiency Measures on the Addendum to Schedule 6 to the applicable
  - Modifications to Multifamily Loan and Security Agreement (Green Mortgage Loan) ([Form 6241](#)), or
  - Modifications to Multifamily Loan and Security Agreement (Green/Solar Mortgage Loan) ([Form 6264](#)).
- Add the Addendum to Schedule 6 to the applicable:
  - Completion/Repair Schedule; or
  - Rehabilitation Work Schedule to the Rehabilitation Reserve Agreement.
- Describe each Efficiency Measure in enough detail to ensure that any specific products or equipment are installed, including quantities and applicable performance specifications.
- Ensure funds to complete the selected Efficiency Measures are deposited into the Completion/Repair Escrow or the Rehabilitation Reserve Account, in an amount equal to 125% of the estimated cost of all capital improvements identified by the HPB Module, HPB Report, or Technical Solar Report for the selected Efficiency Measures.
- Require all Efficiency Measures be completed in a timely manner and no later than
  - 12 months after the Mortgage Loan Origination Date, or
  - any shorter time period required by [Part II, Chapter 4: Lease Audits, Inspections, and Reserves, Section 404: Property Condition Assessment \(PCA\)](#) for capital improvements identified as Immediate Repairs by the PCA.



# Glossary

## B

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

### Synonyms

- Borrowers
- Borrower's

## C

**Completion/Repair Escrow** Custodial Account funded on the Mortgage Loan Origination Date for Completion/Repairs or capital improvements per the Loan Documents.

**Completion/Repair Schedule** The Required Repair Schedule to the Multifamily Loan Agreement ([Form 6001 series](#)) and the applicable parts of the Multifamily Loan Agreement, or other Fannie Mae-approved agreement, evidencing:

- the Borrower's agreement to
  - fund the Completion/Repair Escrow, and
  - perform Completion/Repairs; and
- Completion/Repair Escrow disbursement terms.

### Synonyms

- Completion/Repair Schedules

## E

**Efficiency Measures** Energy- and water-efficiency measures that the Borrower agrees to implement per the Multifamily Loan Agreement to qualify as a Green Rewards Mortgage Loan, and which project a reduction in the Property's annual energy or water consumption.

### Synonyms

- Efficiency Measure

## G



## Green Mortgage Loan

Mortgage Loan secured by a Property that incorporates features expected to have a positive environmental outcome including, but not limited to, reducing energy and water consumption at a Property, generating energy, or meeting criteria set by a third-party green building certification organization.

### **Synonyms**

- Green Mortgage Loans

## H

### HPB

High Performance Building

## 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

### 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

### Mortgage Loan Origination Date

Date you fund a Mortgage Loan to the Borrower.

### **Synonyms**

- Mortgage Loan's Origination Date
- Origination Date



## P

### Property Condition Assessment

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

#### **Synonyms**

- PCA
- PNA
- Physical Needs Assessment
- PCAs

## R

### Rehabilitation Reserve Account

Custodial Account established by the Lender and funded by deposits from the Borrower per the Rehabilitation Reserve Agreement to fund the Rehabilitation Work.

### Rehabilitation Work

Aggregate repairs, replacements, or improvements (including all Completion/Repairs) required to be performed and completed within a specified time period after the Mortgage Loan Origination Date for a Moderate Rehabilitation Property.

## S

### Security

MBS, PFP MBS, or REMIC.

#### **Synonyms**

- Securities