Fannie Mae®

Multifamily Selling and Servicing Guide

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Section 501 Property Insurance

501.01 General Insurance – Applies to All Policies

501.01A Generally

Guidance

When terms or acronyms for insurance forms and policies are capitalized in this Chapter, they refer to Insurance Services Office (ISO) forms and policies or their equivalent. Other capitalized terms and acronyms have standard insurance industry meanings.

Requirements

As of the Mortgage Loan Origination Date, you must ensure:

- each Property is covered by compliant property insurance and liability insurance;
- all Potential Red Flags for Mortgage Fraud and Other Suspicious Activity were considered; and
- unresolved red flags were reported per Part I, Chapter 3: Borrower, Guarantor, Key Principals, and Principals, Section 310: Compliance.

You must ensure all insurance policies:

- list the Borrower as:
  - a named insured; or
  - an Additional Named Insured on the applicable policies if the policy is provided by, or in the name of, a Property manager (you must also verify the Borrower has a written Property management agreement with the company providing insurance);
- are written on an Occurrence-Based Policy, except the following, which may be written on an Occurrence-Based Policy or a Claims-Made Policy:
  - earthquake insurance;
  - directors' and officers' insurance;
  - professional liability insurance; and
  - general liability and excess/umbrella insurance for Seniors Housing Properties only when the coverage is included with professional liability insurance under the same insurance policy;

- unless the Loan Documents expressly state otherwise, require the carrier to notify the named Mortgagee and/or Additional Insured in writing
  - at least 10 days before policy cancellation for non-payment of premium, and
  - 30 days before cancellation for any other reason;
- except for professional liability insurance, name:
  - Fannie Mae as Additional Insured on
    - general liability insurance, and
    - excess/umbrella insurance; and
  - "Fannie Mae, its successors, and assigns" as Mortgagee and Loss Payee on property insurance;
- use Replacement Cost Basis; however, coverage for roofs may use
  - Actual Cash Basis, or
  - Replacement Cost Basis; and
- contain the following mortgagee clause:

> Fannie Mae, its successors and/or assigns (or "ISAOA"),
> as their interest may appear (or "ATIMA")
> c/o [Lender Name]
> Lenders Street Address or PO Box
> Lenders City, State, and Zip Code.

Guidance

You should:

- obtain the advance cancellation notice for the benefit of each Mortgagee and Additional Insured from the insurance carriers whenever possible; or
- if the insurer will not provide advance cancellation notices, ensure the Loan Documents were not modified in any manner limiting:
  - the Borrowers obligation to promptly inform you of any notice of cancellation it receives from an insurance carrier; or
  - any recourse liability of the Borrower or any Guarantor for failing to maintain all insurance coverages required by the
    - Loan Documents, and

— Guide.

Operating Procedures

If the insurer will not provide advance cancellation notices, your Servicing File must include

- evidence of your attempts to obtain the notice provisions, and
- a copy of the state statute regarding cancellation notification.

Within 5 Business Days after the Propertys Book-Entry Date, you must submit all applicable information via:

- DUS Data Digitizer, for structured data using the DUS Insurance Data Set (Form 4087.INS); and
- DUS DocWay, for Insurance Policy Documents, including
  - ACORD 28,
  - Alta Survey,
  - Flood Analysis Worksheet,
  - Flood Insurance Policy,
  - Special Flood Hazard Determination Form, and
  - Schedule of Values.

Guidance

You may use the Flood Insurance Job Aid to assist with completion of the DUS Data Digitizer requirements.

501.01B Insurable Value Determination

Requirements

To determine the estimated Insurable Value, you must use

- the Appraisal, or
- other reliable sources.

Guidance

Common Reliable Sources to Determine Estimated Insurable Value	
Resource	Description
Insurance Company Estimate	An estimate from the insurance company underwriting the property damage insurance.
Appraisal's Insurable Value	A qualified commercial real estate Appraisal from an Appraiser experienced in the market per Part II, Chapter 2: Valuation and Income, Section 202: Appraisal and Valuation.
Contractor	A reputable commercial contractor with experience constructing and/or reconstructing similar area properties.
Vendor	A third-party vendor who • specializes in Insurable Value calculations, or • publishes data used to determine Insurable Value.

501.01C Blanket and Other Policies Covering Multiple Properties

☑ Requirements

You must:

- ensure:
  - any Blanket Policy coverage is as good as, or better than, a single property insurance policy; and
  - the Property is listed and identified in the
    - policy, or
    - associated schedules;
- review and analyze the Schedule of Values and geographical concentration and/or aggregated values of Properties/Total Insurable Values under the Blanket Policy; and
- confirm that Blanket Insurance Limits:
  - are limited to a 1 per occurrence shared limit for:
    - more than 1 property;
    - more than 1 category of coverage; or



- both;

- will be reinstated to the pre-loss limits after a casualty, except for:
  - earthquake;
  - flood; and
  - terrorism;
- are at least:
  - 100% of estimated Total Insurable Value for a single-building Property; and
  - 90% of estimated Total Insurable Value for a multiple-building Property; and
- are sufficient to cover the largest Total Insurable Value.

Guidance

A Schedule of Values is a list of insurable values (all elements of the Total Insurable Value) the Borrower provides to an insurance company for all properties covered under a property insurance policy.

Operating Procedures

You must

- clearly document your analysis of any Blanket Policy (related or unrelated entities) in your Servicing File, and
- include supported conclusions.

501.01D Risk Retention Groups and Captive Insurance

Requirements

You must ensure Risk Retention Groups and Captive Insurers are only accepted for:

- the following coverages:
  - professional liability;
  - general liability;
  - excess/umbrella;
  - Property insurance layer, but coverage must not be provided through

a layer that constitutes the majority of the coverage; and

- terrorism, when backed by the Terrorism Risk Insurance Program (TRIA); and

- funding Property and liability deductibles.

You must ensure any Risk Retention Group or Captive Insurer has a rating of at least A- from A.M. Best Company.

For any Risk Retention Group or Captive Insurer that is not satisfactorily rated, before Rate Lock, you must:

- obtain and review the applicable information in the Unrated Risk Retention Group or Captive Insurer table; and
- submit a
  - written summary, and
  - recommendation for approval, explaining
    - any non-compliant requirements,
    - any adverse findings, and
    - your rationale for recommending approval.

Unrated Risk Retention Group or Captive Insurer	
Document/Entity	Description
Certificate of Authority (CA)	State-issued license to an insurance company to conduct business, and includes the • date of authority, • complete Captive Insurer name, and • state of domicile.

Unrated Risk Retention Group or Captive Insurer	
Document/Entity	Description
State Examination Report	Report covering a specific timeframe that: • reviews the company's: - balance sheet (including assets, liabilities, capital, and surplus); - statement of income; - investments; - premiums; - reinsurance assumed and ceded; - unpaid losses and loss adjustment expense; and - losses and loss adjustment expense incurred; and • ascertains its: - financial condition; - ability to fulfill obligations; and - compliance with applicable state laws and regulations.
Actuarial Report	Report culminating with a statement of actuarial opinion (minimum requirement) after evaluating, opining, and certifying the adequacy of the Captive Insurer's • open and paid losses, • loss adjustment expense reserves, • capital, and • surplus.
Loss History	Frequency and severity of insurance losses covered by the Captive Insurer's policy during a specific timeframe.

Unrated Risk Retention Group or Captive Insurer	
Document/Entity	Description
Reinsurance and/or Fronting Company	Reinsurance is when an insurer transfers all or part of a risk to another insurer to reduce the risk for the first insurance. Fronting company is using a licensed, admitted insurer to issue an insurance policy on behalf of a self-insured organization or Captive Insurer without intending to transfer any of the risk. The risk of loss is retained by the self-insured or Captive Insurer with an indemnity or reinsurance agreement.
Captive Insurer	Captive Insurer is either a: • single parent captive (pure captive) - when an insurance subsidiary insures the loss exposures of its parent company or single entity; or • group captive - a captive owned by several different companies who are normally - from the same industry, and - have similar risks.

Guidance

Captive Insurers (and similar arrangements):

- may have lower capitalization requirements than traditional insurance companies; and
- are not usually rated by a recognized rating agency.

For Captive Insurers, you should:

- confirm they
  - are financially stable, and
  - have adequate funds to cover potential losses; and
- review additional documents as warranted.

Operating Procedures

You must submit all documents for unrated Captive Insurers or Risk Retention Groups:

- through DUS Gateway, for new Mortgage Loan submissions; and
- annually through the MAMP, for Portfolio Mortgage Loans.

501.01E Insurance Carrier Rating

☑ Requirements

Rating requirements do not apply to policies issued

- through State-sponsored insurance programs, or
- by insurers participating in NFIP.

You must ensure the insurance carrier has an A.M. Best Company general policyholder rating of A- or better.

501.01F Term

Guidance

Policies should have a term of at least 12 months. For new Mortgage Loans, a Property may be added mid-term to an existing 12-month policy.

You may accept a policy term of less than 12 months if the:

- shorter term is due to carrier
  - non-renewal, or
  - cancellation; or
- policy is
  - expiring, and
  - will be renewed for at least 12 months.

501.01G Payment of Premium

☑ Requirements

You must:

- ensure premiums for all required insurance policies are either:
  - paid in full annually; or

- payable in installments, for which you have receipts confirming timely payment;

- not provide premium financing to the Borrower; and
- only permit third-party premium financing if:
  - the financing agreement:
    - has no negative impact on
      - you,
      - Fannie Mae, or
      - the Mortgage Loan collateral; and
    - does not include any conditions that could prevent you or Fannie Mae from receiving the insurance proceeds; and
  - the Modifications to Multifamily Loan and Security Agreement (Financing of Insurance Premiums) (Form 6272) was executed.

If the Borrower finances premiums, you must

- review the financing agreement,
- confirm timely payment of each premium was made, and
- retain in the Servicing file
  - the financing agreement, and
  - evidence of premium payments.

501.01H Evidence of Insurance

☑ Requirements

You must:

- have:
  - temporary or permanent evidence of insurance when the Mortgage Loan closes;
  - permanent evidence of insurance within 90 days after Mortgage Loan Delivery; and
- comply with the following Acceptable Evidence of Insurance table.

Acceptable Evidence of Insurance	
Acceptable Temporary Evidence Forms	Acceptable Permanent Evidence Forms
• ACORD 28 Evidence of Commercial Property Insurance (most recent version or, if applicable, the state-approved form), combined with ACORD 25 Certificate of Liability Insurance. • ACORD 75 Insurance Binder. • If an ACORD certificate is unavailable, a joint letter from the Borrower and its licensed insurance broker/agent certifying that all coverages, terms, and conditions meet the requirements. • For NFIP flood insurance: - the Policy Declaration page; or - a copy of the signed application and proof of payment.	• An original or duplicate copy of the insurance policy. • For a Property securing a Mortgage Loan with a UPB: - less than or equal to $10 million, the MBA Evidence of Insurance - Commercial Property Form; or - greater than $10 million, or for blanket policies with multiple layers, duplicate copies of the primary insurance policies, which should: ▪ include a letter (signed and dated on company letterhead) from an individual authorized to execute evidence of insurance on behalf of the insurance carriers issuing each policy; ▪ state that all policies follow the same terms, conditions, and exclusions as the primary policy, with any differences specified; and ▪ for NFIP flood insurance, include the Policy Declaration page.

You must not submit any of the following. These are unacceptable forms of permanent evidence:

- insurance policy declarations pages (except for an NFIP policy);
- single policy endorsement;
- insurance binders; and
- certificates of insurance.

501.01I Insurance Exceptions

☑ Requirements

Post-closing exception request submissions must include current information.

All exceptions, including those delegated, must be documented in the applicable business application.

You must submit any insurance exception request:

- through DUS Gateway with all applicable data fields completed in the system, not via an attached waiver document;
- at least 72 hours before Rate Lock; and
- with all supporting documentation.

Guidance

If the waiver is approved for the entire Mortgage Loan term, it will be stated in the approval.

501.02 Property Insurance

501.02A Minimum Coverage Amounts

☑ Requirements

You must ensure:

- each Property has property insurance throughout the Mortgage Loan term; and
- the coverage:
  - is written using Special Peril Coverage;
  - is at least
    - 100% of estimated Insurable Value for a single-building Property, and
    - 90% of estimated Insurable Value for a multiple-building Property; and
  - either does not contain a Coinsurance Clause, or contains a Coinsurance Clause offset by an Agreed Amount Provision no less than 100% of the estimated Insurable Value.

Guidance

A margin clause:

- should not be used to determine compliant property insurance limits; and
- may contain provisions limiting additional coverage availability.

A Property Damage Insurance policy should contain an Inflation Guard endorsement that annually adjusts the insurance amount based on the inflation rate in the Propertys geographic area.

501.02B Deductibles

☑ Requirements

The maximum deductible amounts:

- apply to all insurance coverages required by:
  - Part II, Chapter 5: Property and Liability Insurance, Section 502: Catastrophic Risk Insurance; and
  - Part II, Chapter 5: Property and Liability Insurance, Section 503.01: Generally; and
- must comply with the following tables.

Maximum Deductibles	
For the peril of...	The maximum deductible must not exceed...
Wind/Hail (unrelated to a catastrophic peril)	• 5% of the subject collaterals Total Insurable Value[1]; or • when expressed only as a dollar value: - $50,000 for collateral Insurable Values less than $10 million; or - $100,000 for collateral Insurable Values $10 million or more.
Named Storm and Earthquake	• 7.5% of the subject collaterals Total Insurable Value[1]; or • when expressed only as a dollar value: - $50,000 for collateral Insurable Values less than $10 million; or - $100,000 for collateral Insurable Values $10 million or more.

Maximum Deductibles	
For the peril of...	The maximum deductible must not exceed...
1 If a stated minimum deductible is listed, it must not exceed • $100,000 for a specific limit, and • $250,000 for a shared blanket limit.	

Maximum Deductibles for All Other Perils	
Specific Limit Insurance Policy	
For Policies...	The maximum deductible amount per occurrence based on the Total Insurable Value is...
Less than $10 million	$50,000
$10 million or more	$100,000
Blanket Deductibles	
For Blanket Policies with a...	The maximum deductible amount per occurrence is...
Blanket limit	$250,000
Specific limit	• $50,000 for collateral Insurable Values less than $10 million; or • $100,000 for collateral Insurable Values $10 million or more.
Expanded Deductibles [1]	
For Policies other than NFIP...	The maximum deductible amount per occurrence based on the Total Insurable Value is...
Less than $10 million	$100,000
$10 million or more	$150,000

Maximum Deductibles for All Other Perils
1 Expanded deductibles must meet all the following: • the Borrower evidences liquid assets equal to at least 4x the deductible amount; • the Mortgage Loan - has a Pass rating, - is not currently delinquent, and - has not been delinquent within the last 12 months; • the Property condition rating is a 2 or better; and • you annually review the Mortgage Loans eligibility.

Guidance

Before accepting any deductibles, you should:

- assess the Borrowers ability to pay the deductible throughout the policy term;
- determine the high deductible financial exposure by considering total paid expenses rather than only the difference between the
  - maximum allowable deductible, and
  - requested/actual deductible; and
- only use the Borrowers owned or related properties to determine the maximum deductible if insurance coverage is provided on a management companys or unrelated entities master property program.

501.02C Aggregate Deductibles

Guidance

You may accept a Property and Liability policy that includes aggregate deductibles. The aggregate deductible may be higher than the maximum deductible required per Part II, Chapter 5: Property and Liability Insurance, Section 501.02B: Deductibles.

Requirements

If you accept a Property and Liability policy that includes aggregate deductibles, you must:

- confirm the aggregate deductible amount is fully funded and held by:

- the Borrower in a segregated bank account;
- you in the Tax and Insurance escrow; or
- a third party for the Borrower's benefit; and

- require any claim checks to:
  - list you as payee c/o Fannie Mae; and
  - be considered insurance loss proceeds per the Loan Documents.

501.02D Business Income (including Rental Value) Insurance

☑ Requirements

You must ensure:

- each Property has business income insurance (including rental value insurance), for all required coverages, including
  - ordinance or law (Coverage D),
  - windstorm,
  - flood,
  - earthquake, and
  - terrorism, etc.;

- coverage is based on:
  - Actual Loss Sustained for 12 months; or
  - the most recent annual reported (or annualized if annual financials are unavailable):
    - EGI; or
    - NOI plus continuing expenses;

- the maximum deductible for business income insurance does not exceed:
  - the maximum deductible for the property insurance policy, or
  - a waiting period of
    - 3 days, or
    - 72 hours; and

- coverage for a Mortgage Loan with a UPB of $35 million or more includes

a 90-day Extended Period of Indemnity option.

501.02E Ordinance or Law Insurance

Requirements

If the Property is non-conforming under any current land use law or ordinance, you must ensure the Property has ordinance or law insurance:

- for all perils, even if insured on a standalone policy; and
- that includes the Increased Period of Restoration (Coverage D) endorsement if any buildings are 5 stories or more.

Coverages	If ordinance or law insurance is required, you must ensure the Property has all of the following...
Coverage A	Loss of Undamaged Portion equal to at least: • 100% of estimated Insurable Value for a single-building Property minus the damage threshold specified by the local building ordinance; • 90% of estimated Insurable Value for a multiple-building Property minus the damage threshold specified by the local building ordinance; or • 50% of the Insurable Value, if the local ordinance does not specify a threshold.
Coverage B	Demolition/Debris Removal Cost equal to at least 10% of the Insurable Value.
Coverage C	Increased Cost of Construction equal to at least 10% of the Insurable Value.

Guidance

Examples of ordinance or laws include

- bulk restrictions,
- building,
- zoning,
- energy management,
- green, or

- Fair Housing Act accessibility.

Some municipalities have no zoning districts. This primarily refers to use. Usually, buildings are still subject to building and safety codes; therefore, coverage is required.

Required Limits Example	
If...	Then the required coverage is...
for a single-building Property, the Insurable Value equals • $10 million, and • the damage threshold of the local building ordinance is 75%	100% of the Insurable Value, minus the damage threshold specified by the local building ordinance (e.g., $10 million - $7.5 million = $2.5 million for Coverage A).
Coverages A, B, and C are combined	the Coverage A amount plus 10% of the Insurable Value for Coverage B plus 10% of the Insurable Value for Coverage C (e.g., $2.5 million + $1 million + $1 million = $4.5 million).
Coverages B and C are combined	10% of the Insurable Value for Coverage B plus 10% of the Insurable Value for Coverage C (e.g., $1 million + $1 million = $2 million).

Coverage D for law and ordinance insurance:

- extends the business:
  - income and extra expense coverage; and
  - additional time to restore operations when delayed due to enforcement of building or zoning laws; and
- is paid from the Propertys business income/rent loss coverage.

Without this Increased Period of Restoration endorsement, business income coverage does not include any increased period that may be necessary due to enforcement of an ordinance or law.

When evaluating this coverage you should ensure the business income/rent loss limit is adequate to reflect the increased period of restoration.

501.02F Equipment Breakdown or Boiler and Machinery Insurance

☑ Requirements

You must ensure:

- a Property with any high-pressure, centralized HVAC boiler, water heater, or other vessel in operation and regulated by the Propertys state or municipality has full equipment breakdown or boiler and machinery insurance;
- the coverage equals at least 100% of the Insurable Value of each building housing the equipment; and
- if equipment breakdown or boiler and machinery insurance is provided by a carrier other than the carrier providing the property damage policy, both policies include a Joint Loss Agreement.

501.02G Builder's Risk Insurance

☑ Requirements

If property insurance coverage is excluded during construction, renovation, or restoration, you must ensure the builder's risk insurance:

- is in place during the Construction Activity; and
- complies with Part II, Chapter 5: Property and Liability Insurance, Section 506.02: Builder's Risk Insurance.

501.02H Fidelity Bond / Crime Insurance

☑ Requirements

You must ensure:

- each Property owned by a Cooperative Organization has fidelity bond/crime insurance in an amount covering scheduled Cooperative Maintenance Fees for at least 3 months; and
- the fidelity bond/crime insurance deductible does not exceed $25,000.

501.02I Regional Perils Insurance

☑ Requirements

You must ensure:

- if a Property is in an area prone to geological phenomena, the property

insurance coverage includes those phenomena; and

- the coverage equals 100% of the Insurable Value.

Guidance

Examples of geological phenomena include

- sinkhole,
- mine subsidence,
- volcanic eruption, and
- avalanche.

Glossary

A

ALTA	American Land Title Association
Appraisal	Written statement independently and impartially prepared by a qualified Appraiser stating an opinion of the Property's market value • as of a specific date, and • supported by the presentation and analysis of relevant market information. **Synonyms** • Appraisals • Appraisal's
Appraiser	Person engaged to estimate a Propertys market value per USPAP. **Synonyms** • Appraiser's • Appraisers

B

Blanket Policy	Insurance policy providing coverage for multiple properties and/or multiple perils. **Synonyms** • Blanket
Bonds	Tax-exempt or taxable multifamily revenue bonds, or other tax-exempt or taxable bonds, issued to finance 1 or more Credit Enhancement Mortgage Loan Properties. **Synonyms** • Bond

Book-Entry Date	Date a Security is delivered by Fannie Mae via the Federal Reserve book-entry system to the applicable Investors designated book-entry account at a depository institution. **Synonyms** • Book-Entry Delivery Date • Settlement Date
Borrower	Person who is the obligor per the Note. **Synonyms** • Borrowers • Borrower's
Business Day	Any day other than a • Saturday, • Sunday, • day when Fannie Mae is closed, • day when the Federal Reserve Bank of New York is closed, or • for any MBS and required remittance withdrawal, day when the Federal Reserve Bank is closed in the district where any of the MBS funds are held. **Synonyms** • Business Days

C

Captive Insurer	Insurance company wholly owned and controlled by its insureds, whose primary purpose is to insure the risks of its owners, and its insureds benefit from the captive insurer's underwriting profits. **Synonyms** • Captive Insurer's • Captive Insurers

Collateral	Property, Personal Property, or other property securing a Mortgage Loan.
Construction Activity	Construction, renovation, or restoration of Improvements: • beginning on the Construction Activity Start Date; and • ending on the Construction Activity Completion Date.
Cooperative Maintenance Fee	Periodic fee assessed each shareholder or owner of a Cooperative Organization to fund costs and expenses associated with ongoing operations of the Cooperative Property. **Synonyms** • Cooperative Maintenance Fees
Cooperative Organization	Corporation or legal entity where each shareholder or equity owner is granted the right to occupy a unit in a multifamily residential property under a proprietary lease or occupancy agreement.
Cooperative Property	Multifamily residential property owned by a Cooperative Organization. **Synonyms** • Co-op • Cooperative

D

Delivery	Submission of all correct, accurate, and certifiable documents, data, and information with all applicable documents properly completed, executed, and recorded as needed, and any deficiencies resolved to Fannie Maes satisfaction. **Synonyms** • Deliver • Delivered • Deliveries
DocWay	Business-to-business electronic documentation delivery application, or any successor system.
DUS	Delegated Underwriting and Servicing
DUS Gateway	Multifamily pre-acquisition system, or any successor systems, recording deal registration, Pre-Review and/or waiver tracking, Mortgage Loan Commitments, and decision records.

E

Effective Gross Income	For any specified period, the Property's total Net Rental Income, plus commercial income, plus other income, all calculated per Part II, Chapter 2: Valuation and Income, Section 203: Income Analysis and the applicable products and features in Part III. **Synonyms** • EGI

G



Guarantor	Key Principal or other Person executing a • Payment Guaranty, • Non-Recourse Guaranty, or • any other Mortgage Loan guaranty. **Synonyms** • Guarantors
Guide	Multifamily Selling and Servicing Guide controlling all Lender and Servicer requirements unless a Lender Contract specifies otherwise. **Synonyms** • DUS Guide

I

Insurable Value	For any Property, the estimate of the maximum dollar amount needed to replace, repair, or reproduce the Property, but excluding any land value. **Synonyms** • Insurable Values

J

Joint Loss Agreement	Provision used when more than 1 insurer gives the same property coverage to temporarily allocate losses to ensure prompt payment to the policyholder. For covered losses, insurers pay the policyholder: • any undisputed amounts; and • all remaining sums in equal shares and insurers arbitrate among themselves to determine final responsibility for those sums.

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

Lender	Person Fannie Mae approved to sell or service Mortgage Loans. **Synonyms** • Lenders • Lender's
Loan Documents	All Fannie Mae-approved documents evidencing, securing, or guaranteeing the Mortgage Loan. **Synonyms** • Loan Document • Mortgage Loan Document • Mortgage Loan Documents

M

MAMP	Multifamily Asset Management Portal used to submit • Property inspections, • operating statements, • requested modifications, • asset management reports, and • data corrections for loan or property attributes. **Synonyms** • Multifamily Asset Management Portal • MAMP's

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
Mortgage Loan Broker	Third-party Person who arranges • Mortgage Loan financing on the Borrowers behalf, or • Transfers/Assumptions on behalf of the - new Borrower for an assumption, or - transferee for a transfer. **Synonyms** • Broker • Brokers • Mortgage Loan Brokers
Mortgage Loan Origination Date	Date you fund a Mortgage Loan to the Borrower. **Synonyms** • Mortgage Loan's Origination Date • Origination Date

N

National Flood Insurance Program	Program of flood insurance coverage and floodplain management administered under the National Flood Insurance Act. **Synonyms** • NFIP

Net Operating Income	At underwriting or for any specified period, the Property's total Effective Gross Income minus operating expenses. **Synonyms** • NOI

P

Portfolio Mortgage Loan	Mortgage Loan purchased by Fannie Mae and held as of a certain date regardless of whether it is a Cash Mortgage Loan or an MBS Mortgage Loan. **Synonyms** • Portfolio Mortgage Loans • Portfolio Mortgage Loan's
Principal	Person who owns or controls, in the aggregate, directly or indirectly (together with that Person's Immediate Family Members, if an individual), specified interests in the Borrower per Part I, Chapter 3: Borrower, Guarantor, Key Principals, and Principals, Section 303: Key Principals, Principals, and Guarantors. **Synonyms** • Principals
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 Rating	An assessment of the Propertys overall condition per the MBA Standard Inspection Form, expressed on a scale from 1 (the best Property Condition Rating) to 5 (lowest Property Condition Rating). **Synonyms** • Property Condition Ratings

R

Rate Lock	Agreement between you and the Investor containing the terms of the Lender-Arranged Sale or Multifamily Trading Desk trade of the Mortgage Loan and the MBS terms and conditions relating to the underlying MBS, if applicable, which may be documented via a recorded telephone conversation. **Synonyms** • Rate Locks
Replacements	Capital item replacements and major maintenance needs identified by the Property Condition Assessment or otherwise required. **Synonyms** • Replacement
Risk Retention Group	State-chartered insurance company created by the 1986 federal Liability Risk Retention Act, insuring commercial businesses and government entities against liability risks. **Synonyms** • RRG • Risk Retention Groups

S

Security	MBS, PFP MBS, or REMIC. **Synonyms** • Securities
Seniors Housing Property	Multifamily residential rental property with any combination of Independent Living, Assisted Living, Alzheimers/Dementia Care, or Skilled Nursing units. **Synonyms** • Seniors Housing • Seniors Housing Properties
Servicing File	Your file for each Mortgage Loan serviced. **Synonyms** • Servicing Files

T

Taxes and Insurance	Taxes or assessments that may become a Lien on the Property and insurance premiums. **Synonyms** • T&I • Tax and Insurance
Total Insurable Value	For any Property, the sum of the full value of the insured's: • covered Property; • Property-related business income values; and • any other covered Property interests. **Synonyms** • Total Insurable Values

U

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UPB	Unpaid Principal Balance

Synonyms
- UPBs