

Multifamily Selling and Servicing Guide

Effective as of November 4, 2025

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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

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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 Property's geographic area.



Glossary

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

\mathbf{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

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).

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Synonyms

- Properties
- Property's