



Fannie Mae®

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# Multifamily Selling and Servicing Guide

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## **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 financial 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.



# Glossary

## 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).

#### Synonyms

- Properties
- Property's

## U

### UPB

Unpaid Principal Balance

#### Synonyms

- UPBs