Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of November 16, 2026

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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 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.

Glossary

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

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

N

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

P

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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