



Fannie Mae®

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	<p>Mortgage debt obligation evidenced, or when made will be evidenced, by</p> <ul style="list-style-type: none">• the Loan Documents, or• a mortgage debt obligation with a Fannie Mae credit enhancement. <p>Synonyms</p> <ul style="list-style-type: none">• Mortgage Loans• Mortgage Loan's
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P

Property	<p>Multifamily residential real estate securing the Mortgage Loan, including the</p> <ul style="list-style-type: none">• fee simple or Leasehold interest,• Improvements, and• personal property (per the Uniform Commercial Code). <p>Synonyms</p> <ul style="list-style-type: none">• Properties• Property's
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U

UPB	<p>Unpaid Principal Balance</p> <p>Synonyms</p> <ul style="list-style-type: none">• UPBs
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