Fannie Mae®

Multifamily Selling and Servicing Guide

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502.01 Generally

Requirements

You must ensure:

- a Property has the coverages required by Part II, Chapter 5: Property and Liability Insurance, Section 502: Catastrophic Risk Insurance for perils related to catastrophic loss if the Property is in an area prone to Catastrophic Events;
- the Property has a separate insurance policy if the Special Peril Coverage of Loss Form excludes a Catastrophic Event coverage that is required; and
- if ordinance or law coverage is required on the property policy, then coverage is obtained for catastrophic losses if the catastrophic peril is insured on a standalone policy.

Glossary

C

Catastrophic Event	Natural or man-made hazard resulting in an event of substantial extent causing
	• significant physical damage or destruction,
	• loss of life, or
	• drastic change to the natural environment, such as
	  - earthquake,
	  - flood,
	  - terrorist attack, or
	  - windstorm.
	
	Synonyms
	• Catastrophic Events

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

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