



Fannie Mae®

---

# Multifamily Selling and Servicing Guide

Effective as of February 2, 2026

No portion of this Multifamily Selling and Servicing Guide may be reproduced in any form or by any means without Fannie Mae's prior written permission, except as may be provided herein or unless otherwise permitted by law. Limited permission to reproduce this Multifamily Selling and Servicing Guide in print, in whole or in part, and limited permission to distribute electronically parts of this Multifamily Selling and Servicing Guide, are granted to Fannie Mae-approved Lenders strictly for their own use in originating and selling multifamily Mortgage Loans to, and servicing multifamily Mortgage Loans for, Fannie Mae. Fannie Mae may revoke this limited permission by sending 60 days advance written notice to any or all Fannie Mae-approved Lenders.



## TABLE OF CONTENTS

---

Part II Section 502.02 Named Storm Insurance .....	3
GLOSSARY .....	5



## 502.02 Named Storm Insurance

### Requirements

You must ensure:

- the Property has separate named storm insurance if the:
  - Special Peril Coverage of Loss Form excludes any type of wind-related Catastrophic Event; and
  - Property is located in a Tier I named storm county, as defined by the insurer;
- the coverage equals at least 90% of the Total Insurable Value
  - on a standalone policy, and
  - of the largest individual property on a Blanket Policy;
- if the named storm policy does not cover costs due to flooding from storm surge, the Borrower maintains flood insurance for any buildings located in the 500-year flood zone equal to the maximum coverage available through NFIP policies or their equivalent;
- the valuation does not rely solely on Probable Maximum Loss (PML) calculations; and
- the deductible does not exceed the greatest of:
  - 7.5% of the Insurable Value;
  - the applicable maximum amount per [Part II, Chapter 5: Property and Liability Insurance, Section 501.02B: Deductibles](#); and
  - for business income insurance:
    - when expressed as a number of days, 15 days; or
    - when expressed as a dollar amount, \$100,000.

### Guidance

If named storm coverage is unavailable, Fannie Mae will consider approving 1 of the following options:

- a State insurance plan; or
- a State-managed insurance pool for



- windstorm, or
- beach erosion.



# Glossary

## B

**Blanket Policy** Insurance policy providing coverage for multiple properties and/or multiple perils.

**Synonyms**

- Blanket

**Borrower** Person who is the obligor per the Note.

**Synonyms**

- Borrowers
- Borrower's

## 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

## 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

## 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

## T

**Total Insurable Value** For any Property, the sum of the full value of the insured's:  
• covered Property;  
• Property-related business income values; and  
• any other covered Property interests.

**Synonyms**

- Total Insurable Values