Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of November 16, 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 502.04 Earthquake Insurance 3
GLOSSARY 4

© 2026 Fannie Mae. Trademarks of Fannie Mae.

502.04 Earthquake Insurance

Requirements

You must ensure the Property has earthquake insurance if required by Fannie Mae. For any required coverage, ensure:

- coverage is at least 100% of the Insurable Value;
- the deductible does not exceed the greater of:
  - 7.5% of the Total Insurable Value; or
  - the applicable maximum amount per Part II, Chapter 5: Property and Liability Insurance, Section 501.02B: Deductibles; and
- for business income insurance, the waiting period does not exceed:
  - when expressed as a number of days, 15 days; or
  - when expressed as a dollar amount, $100,000.

Earthquake insurance may be required while the Property is being retrofitted.

Operating Procedures

If retrofitting is required and not completed within the agreed timeframe, you must not accept earthquake insurance as a substitute.

Glossary

G

Guide	Multifamily Selling and Servicing Guide controlling all Lender and Servicer requirements unless a Lender Contract specifies otherwise. **Synonyms** • DUS Guide

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