Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of October 26, 2026

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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