



Fannie Mae®

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# Multifamily Selling and Servicing Guide

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## 502.05 Terrorism Insurance

### Requirements

You must ensure:

- each Property has terrorism insurance for property damage/casualty and liability exposures;
- exceptions are only made to professional liability insurance where terrorism coverage is not required;
- the coverage is at least 100% of the Insurable Value attributed only to the Improvements; and
- for business income insurance, the deductible does not exceed:
  - when expressed as a number of days, 15 days; or
  - when expressed as a dollar amount, \$100,000.



# Glossary

## I

### Improvements

Buildings, structures, improvements, and alterations, including the multifamily housing dwellings, now or hereafter constructed or placed on the Property, including all fixtures (as defined in the UCC).

#### **Synonyms**

- Improvements'

### 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