Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of November 16, 2026

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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 estimated Insurable Value for a single-building Property; and
  - 90% of estimated Insurable Value for a multiple-building Property; 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

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