Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of October 26, 2026

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503.02 Commercial General Liability Insurance

Requirements

You must ensure the general liability insurance coverage is at least

- $1 million per occurrence/$2 million general aggregate limit, plus
- excess/umbrella insurance as follows:

If the number of aggregate units covered by the policy is...	The minimum excess/umbrella insurance coverage is...
Up to 250	$1 million
251 - 500	$2 million
501 - 1,000	$3 million
1,001 - 2,000	$5 million
2,001 - 5,000	$10 million
5,001 - 10,000	$15 million
More than 10,000	$20 million

The following maximum deductibles or self-insured retention, or combined deductible and self-insured retention, apply to

- general liability,
- umbrella/excess liability, and
- professional liability.

Maximum Deductibles for All Other Perils	
For...	The maximum deductible amount per occurrence based on the Total Insurable Value is...
Specific Limit Insurance Policy	
Specific Limit Policies	$50,000
Blanket Deductibles	
Blanket Policies	$250,000

Maximum Deductibles for All Other Perils	
Expanded Deductibles[1]	
Policies other than NFIP less than $10 million	$100,000
Policies other than NFIP $10 million or more	$150,000

1 Expanded deductibles must meet all of the following:

• the Borrower evidences liquid assets equal to at least 4x the deductible amount;
• the Mortgage Loan
  - has a Pass rating,
  - is not currently delinquent, and
  - has not been delinquent within the last 12 months;

• the Property Condition Rating is a 2 or better; and
• you annually review the Mortgage Loans eligibility.

You must ensure the aggregate coverage meets or exceeds the required minimum limits using any combination of

- primary liability insurance, and
- excess/umbrella insurance coverage.

Guidance

You may include general liability exclusions within the scope of ISO Form CG 00 01 04 13, or its equivalent.

The maximum deductible amount, per occurrence, is the combined deductible for both the

- underlying general or professional liability, and
- excess/umbrella liability.

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

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

M

Mortgage Loan	Mortgage debt obligation evidenced, or when made will be evidenced, by • the Loan Documents, or • a mortgage debt obligation with a Fannie Mae credit enhancement. **Synonyms** • Mortgage Loans • Mortgage Loan's

N

National Flood Insurance Program	Program of flood insurance coverage and floodplain management administered under the National Flood Insurance Act. **Synonyms** • NFIP

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
Property Condition Rating	An assessment of the Propertys overall condition per the MBA Standard Inspection Form, expressed on a scale from 1 (the best Property Condition Rating) to 5 (lowest Property Condition Rating). **Synonyms** • Property Condition Ratings

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