



Fannie Mae®

---

# Multifamily Selling and Servicing Guide

Effective as of November 15, 2024

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 501.04E Directors' and Officers' Liability Insurance .....	3
GLOSSARY .....	4



#### **501.04E** Directors' and Officers' Liability Insurance

##### Requirements

Each Property owned by a Cooperative Organization must have directors' and officers' liability insurance.

The coverage amount must be at least \$1 million per occurrence.



# Glossary

## C

**Cooperative Organization** Corporation or legal entity where each shareholder or equity owner is granted the right to occupy a unit in a multifamily residential property under a proprietary lease or occupancy agreement.

## 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