



Fannie Mae®

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# Multifamily Selling and Servicing Guide

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## 502.01 Environmental Site Assessments

### Requirements

You must comply with the Environmental Due Diligence Requirements ([Form 4251](#)), which include obtaining a Phase I Environmental Site Assessment (Phase I ESA) of the entire Property. The Phase I ESA must:

- be performed per the instructions in [Form 4251](#), including meeting the current requirements of ASTM E1527;
- be prepared by an environmental professional as that term is defined in 40 C.F.R. § 312.10 (an Environmental Professional);
- identify all environmental conditions and risks that may potentially impact resident safety, marketability, or value of the Property; and
- clearly identify how to properly mitigate those conditions and risks, including where applicable,
  - the Environmental Professional's recommendations regarding additional investigation, or requirements of government authority or regulatory agency, or
  - action to remediate or abate any Recognized Environmental Condition (REC)/Controlled Recognized Environmental Condition (CREC), as those terms are defined in ASTM E1527.

If the Phase I ESA identified any RECs/CRECs, you must obtain Fannie Mae's approval before Rate Lock.

### Guidance

You may rely on a preliminary or draft Phase I ESA to obtain a Commitment.



# Glossary

## A

ASTM American Society for Testing Materials

## C

Commitment Contractual agreement between you and Fannie Mae where Fannie Mae agrees to buy a Mortgage Loan at a future date in exchange for an MBS, or at a specific price for a Cash Mortgage Loan, and you agree to Deliver that Mortgage Loan.

### Synonyms

- Committed
- Commitments

## E

Environmental Site Assessment Investigation and resulting report (Phase I ESA or Phase II ESA) conducted per Environmental Due Diligence Requirements ([Form 4251](#)), identifying if a Property has Recognized Environmental Conditions or Business Environmental Risks.

### Synonyms

- ESA

## P

Phase I ESA Environmental Site Assessment conducted per the current ASTM E-1527 standard and the resulting report.

### Synonyms

- Phase I Environmental Site Assessment
- Phase I ESAs



## 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

## **R**

## Rate Lock

Agreement between you and the Investor containing the terms of the Lender-Arranged Sale or Multifamily Trading Desk trade of the Mortgage Loan and the MBS terms and conditions relating to the underlying MBS, if applicable, which may be documented via a recorded telephone conversation.

### **Synonyms**

- Rate Locks