



Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of February 2, 2026

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 505.03 Acceptable Levels of Seismic Risk	3
GLOSSARY	5



505.03 Acceptable Levels of Seismic Risk

➔ Guidance

The Property's SEL percentage and the building stability assessment determines if the seismic risk is acceptable.

✓ Requirements

You must:

- determine if the Property's seismic risk is acceptable by confirming all income-producing Improvements or any non-income producing Improvements that support amenities:
 - comply with Part II, Chapter 5: Property and Liability Insurance, Section 505.03: Acceptable Levels of Seismic Risk;
 - have an SEL of 20% or less; and
 - meet the current building stability requirements of ASTM E2026; and
- not Deliver a Mortgage Loan secured by a Property having any Improvements with an SEL greater than 40%.

➔ Guidance

Your analysis should include:

- a Level 1 SRA, including Appendix X4 (ASTM E2557);
- your analysis of the seismic issues and recommendation, describing the:
 - severity and pervasiveness of the conditions driving the SEL and stability issues;
 - risks presented to
 - building stability,
 - building damageability,
 - site stability, and
 - life safety; and
 - recommended retrofit or remediation requirements;
- a retrofit letter or the Borrower's retrofit plan, including the



- timetable, and
- cost estimate;
- Form 4099.C; and
- a minimum of 6 Property photos, including
 - photos of areas significant to the seismic calculation or stability issue, and
 - elevation views of any Improvements having
 - an SEL over 20%, or
 - a stability issue.



Glossary

A

ASTM American Society for Testing Materials

B

Borrower Person who is the obligor per the Note.

Synonyms

- Borrowers
- Borrower's

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'

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

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