



Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of November 15, 2024

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503.03 Acceptable Levels of Seismic Risk

➔ Guidance

The SEL percentage of the Property and the building stability assessment will determine whether the seismic risk is acceptable.

☑ Requirements

The Property's seismic risk is acceptable if all income-producing Improvements or any non-income producing Improvements that support amenities

- comply with this Section 503.03,
- have an SEL of 20% or less, and
- meet the current building stability requirements of ASTM E2026.

A Mortgage Loan is ineligible for purchase if it is secured by a Property that has 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 in detail
 - the severity and pervasiveness of the conditions driving the SEL and stability issues,
 - the risks presented to building stability, building damageability, site stability, and life safety, and
 - the recommended retrofit or remediation requirements;
- a retrofit letter or the Borrower's retrofit plan, timetable, and cost estimate;
- Form 4099.C; and
- a minimum of 6 Property photos, including
 - photos of those 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).

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