



Fannie Mae®

Multifamily Selling and Servicing Guide

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504.03 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 504.03: 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