



Multifamily Selling and Servicing Guide

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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 under the Note.

Synonyms

- Borrowers
- Borrower's

I

Improvements Buildings, structures, improvements, and alterations, including the multifamily housing dwellings, now constructed or hereafter constructed or placed on the land upon which the Property is located, together with all fixtures (as defined in the Uniform Commercial Code).

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

P

Property Multifamily residential property securing the Mortgage Loan and including the land (or Leasehold interest in land), Improvements, and personal property (as defined in the Uniform Commercial Code).

Synonyms

- Properties
- Property's