



Multifamily Selling and Servicing Guide

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Section 103 Ground Leased Properties

103.01 Generally

Requirements

If the Property has a Ground Lease, the Mortgage Loan collateral must include a Lien on the Leasehold estate.

You must ensure that the Ground Lease complies with the Ground Lease Review Checklist ([Form 6479](#)), unless

- the ground lessor joins with the Borrower in executing the Security Instrument and grants a Lien on the ground lessor's fee estate, or
- the absence of the Leasehold estate would not have a material adverse effect on the operation or value of the Property.

103.02 Ground Lease Rents

Requirements

You must establish an escrow for ground rents and ensure that the Borrower deposits sufficient funds for you to make all payments due under the Ground Lease.

103.03 Ground Lease Estoppel Certificate

Requirements

You must obtain a Ground Lessor Estoppel Certificate that:

- follows Modifications to Multifamily Loan and Security Agreement (Ground Lease Defaults) ([Form 6206](#)); and
- includes any provisions required by [Form 6479](#) that are not already contained in the Ground Lease.

103.04 Ground Lease Review

Requirements

You must:

- review and analyze the Ground Lease to ensure compliance with the requirements of this Section; and



- retain the completed [Form 6479](#) in your Servicing File.



Glossary

B

Borrower Person who is the obligor under the Note.

Synonyms

- Borrowers
- Borrower's

G

Ground Lease Contract for the rental of land, usually on a long term basis.

L

Leasehold Property held under a long-term lease or Ground Lease.

Lien Lien, mortgage, bond interest, pledge, security interest, charge, or encumbrance of any kind.

Synonyms

- Liens

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

S

Security MBS, PFP MBS, or REMIC.

Security Instrument Instrument creating a lien or encumbrance on 1 or more Properties and securing the obligations under the Loan Documents.

Servicing File File for each Mortgage Loan serviced by the Lender.

Synonyms

- Servicing Files