Multifamily Selling and Servicing Guide

Effective as of November 25, 2019

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Section 104 Minimum Occupancy

104.01 Residential Occupancy

**Requirements**

You must ensure that the Property meets the following minimum occupancy levels:

- 85% physical occupancy; and
- 70% economic occupancy.

These minimum levels apply at the time of the Commitment and for the preceding 3-month period.

104.02 Qualified Occupants

**Requirements**

When calculating occupancy, you must only include tenants who

- physically occupy the unit, and
- are paying rent.

**Guidance**

You may include any tenant who:

- was under a standard lease for at least 6 months, then converted to a month-to-month lease when the lease expired; or
- is under a lease with a term of less than 6 months, if shorter-term leases
  - are commonly accepted in the market area, and
  - do not reflect weakness in the market.

You may include non-revenue producing units such as

- management units,
- employee occupied units,
- maintenance units, and
- model units.

Such units should not exceed what is usual and customary for stabilized
properties in the market.
Glossary

C

Commitment

Contractual agreement between Fannie Mae and the Lender where Fannie Mae agrees to buy a Mortgage Loan from the Lender at a future date in exchange for an MBS, or at a specific price for a Cash Mortgage Loan, and the Lender agrees to Deliver that Mortgage Loan to Fannie Mae.

**Synonyms**
- Committed
- Commitments

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