



Fannie Mae®

Multifamily Selling and Servicing Guide

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Section 106 Certificates of Occupancy

Requirements

Certificates of Occupancy	
For any...	You must...
Property with construction or rehabilitation work completed within the last 12 months	<ul style="list-style-type: none">• Ensure all units have a certificate of occupancy.• Obtain copies of all certificates of occupancy from the Borrower.• Retain them in your Servicing File.
Other Property	<ul style="list-style-type: none">• Determine if each unit had a certificate of occupancy at some point.• Attempt to obtain copies of them.• Retain them in your Servicing File.

Guidance

No Certificate of Occupancy	
If you cannot obtain...	You should...
Copies of certificates of occupancy for a Property (for example, because of the Property's age, or the records of the jurisdiction where the Property is located)	<ul style="list-style-type: none">• Exclude the income generated by any units without a certificate of occupancy, but include all expenses (including replacement reserves) for the maintenance of these units.• Look for other evidence that certificates of occupancy had been issued.



No Certificate of Occupancy	
Copies or other sufficient evidence of a certificate of occupancy	<p>Analyze the risk to the Property if one had never been issued, by considering if:</p> <ul style="list-style-type: none">• your physical inspection reveals any life safety issues;• all units are accessible through normal access routes (and not, for example, through a former janitorial closet);• the insurance excludes coverage of a casualty originating from a unit without a certificate of occupancy; and• the Property is located in a market that exhibits low vacancies and barriers to entry.



Glossary

B

Borrower Person who is the obligor per the Note.

Synonyms

- Borrowers
- Borrower'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

S

Servicing File Your file for each Mortgage Loan serviced.

Synonyms

- Servicing Files