



Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of December 1, 2025

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109.01A Lease Review

Requirements

You must analyze all aspects of each Material Commercial Lease and its

- tenants,
- grantees, or
- other beneficiaries.

If Material Commercial Lease approval is required per [Part II, Chapter 1: Attributes and Characteristics, Section 109.01B: Lease Approval](#) you must:

- prepare a written summary of the material terms of the Material Commercial Lease; and
- keep a copy of your summary in your Servicing File.

Guidance

As you analyze the Material Commercial Lease, you should consider if:

- each tenant has the ability to fulfill its financial and other performance obligations under the Material Commercial Lease;
- the Material Commercial Lease insurance provisions are consistent with the insurance requirements in the applicable Loan Documents or otherwise prescribed by Fannie Mae;
- each tenant is required to obtain the Lender's consent before the Material Commercial Lease is
 - assigned,
 - subleased,
 - subcontracted, or
 - otherwise transferred; and
- the tenant
 - has early termination clauses, and
 - understands the conditions under which they can terminate, including
 - a material casualty or condemnation, or
 - if the landlord cannot substantially restore the premises in a



reasonable period of time following a casualty or condemnation.



Glossary

L

Lease	<p>Written agreement between an owner and the tenant of a Property stipulating the conditions for possession and use of real estate for a specified period of time and rent.</p> <p>Synonyms</p> <ul style="list-style-type: none">• Leases
Lender	<p>Person Fannie Mae approved to sell or service Mortgage Loans.</p> <p>Synonyms</p> <ul style="list-style-type: none">• Lenders• Lender's
Loan Documents	<p>All Fannie Mae-approved documents evidencing, securing, or guaranteeing the Mortgage Loan.</p> <p>Synonyms</p> <ul style="list-style-type: none">• Loan Document• Mortgage Loan Document• Mortgage Loan Documents

M



Material Commercial Lease

Lease, sublease, license, concession, grant, or other possessory interest

- for commercial purposes comprising 5% or more of the Property's annual EGI, or
- relating to:
 - solar power, thermal power generation, or co-power generation, or the installation of solar panels or any other electrical power generation equipment, and any related power purchase agreement; or
 - any Property dwelling units leased to
 - a Borrower Affiliate,
 - any Key Principal, or
 - any Principal.

Synonyms

- Material Commercial Leases

S

Servicing File

Your file for each Mortgage Loan serviced.

Synonyms

- Servicing Files