



# Multifamily Selling and Servicing Guide

Effective as of August 1, 2019

No portion of this Multifamily Selling and Servicing Guide may be reproduced in any form or by any means without Fannie Mae's prior written permission, except as may be provided herein or unless otherwise permitted by law. Limited permission to reproduce this Multifamily Selling and Servicing Guide in print, in whole or in part, and limited permission to distribute electronically parts of this Multifamily Selling and Servicing Guide, are granted to Fannie Mae-approved Lenders strictly for their own use in originating and selling multifamily Mortgage Loans to, and servicing multifamily Mortgage Loans for, Fannie Mae. Fannie Mae may revoke this limited permission by sending 60 days advance written notice to any or all Fannie Mae-approved Lenders.



## TABLE OF CONTENTS

---

|                                  |   |
|----------------------------------|---|
| Part V Section 501 General ..... | 3 |
| GLOSSARY .....                   | 4 |



## Section 501

### General

---

Each Property securing a Mortgage Loan must be monitored by the Servicer to ensure that the Borrower continually manages and maintains the Property in accordance with the requirements of the applicable Loan Documents and the Guide. The Servicer is required to:

- perform inspections of the Property;
- perform a financial analysis of the operations of Property; and
- report the results of such inspections and financial evaluations to Fannie Mae as required by this Chapter.

The financial analysis of operations should include an annual and, if required for that Asset Class, quarterly analysis of the financial performance of the Property.

Property inspections generally should include:

- an on-site inspection;
- a current overall Property rating based on the condition of the Property as of the date of the inspection (and not on projected or budgeted repairs);
- an evaluation of the Property's market, submarket, and neighborhood; and
- an analysis of the competitive position of the Property.

Based upon the results of its inspections and financial analysis, the Servicer must evaluate the performance of the Property, and identify any Property that warrants special attention due to management or maintenance issues, or any financial decline that could materially adversely affect the collateral or performance of the Mortgage Loan. If follow-up action is required, the Servicer must notify Fannie Mae as provided in this Chapter, and initiate appropriate actions with the Borrower.



## Glossary

### A

**Asset Class** Type of Multifamily Property securing a Mortgage Loan (e.g., conventional, Seniors Housing, Manufactured Housing Community, Cooperative, etc.).

### B

**Borrower** Person who is the obligor under the Note.

**Synonyms**

- Borrowers
- Borrower's

### G

**Guide** Multifamily Selling and Servicing Guide and Delegated Underwriting and Servicing Guide, including any exhibits, appendices, or other referenced forms, as updated, amended, restated, modified, or supplemented by any lender memo; provided, however, if a topic is covered in the Multifamily Selling and Servicing Guide, that Guide shall control unless a Lender Contract specifically requires use of another Guide.

**Synonyms**

- DUS Guide

### L

**Loan Documents** All documents evidencing, securing, or guaranteeing the debt obligation executed for a Mortgage Loan and approved by Fannie Mae.

**Synonyms**

- Loan Document
- Mortgage Loan Document
- Mortgage Loan Documents

### 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**

## Servicer

Primary Person responsible for servicing the Mortgage Loan (e.g., the originator, the selling Lender, or a third-party servicer).

### **Synonyms**

- Servicers