



Multifamily Selling and Servicing Guide

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TABLE OF CONTENTS

Part V Section 502.03 Property Inspection Protocols	3
GLOSSARY	6



502.03 Property Inspection Protocols

The frequency of required Property inspections depends on the following:

- the Mortgage Loan's Fannie Mae risk rating;
- the Mortgage Loan amount at the Mortgage Loan Origination Date; and
- other criteria outlined in the table below.

PROPERTY INSPECTION PROTOCOL						
Protocol if Original Mortgage Loan Amount is Greater than \$30,000,000						
Mortgage Loan Type	Fannie Mae Mortgage Loan Rating	Inspection Frequency	Min% of Total Units to be Inspected ¹	Min/Max Number of Units to be Inspected ²	Min Required Photos	Third-Party or In-House Inspector
All Mortgage Loans, other than Seniors Housing Mortgage Loans and DUS Plus	Pass or Special Mention	Annual Full Inspection	5%	5/15	15	Third-Party or In-House
	Substandard or Doubtful	Annual Full Inspection	10%	10/20	15	In-House Only
Seniors Housing Mortgage Loans	Pass or Special Mention	Annual Full Inspection	5%	5/15	15	Third-Party or In-House
	Substandard or Doubtful	Annual Full Inspection	10%	10/20	15	In-House Only
DUS Plus	All Ratings	Annual Full Inspection	10% (max of 20 units)	10/20	15	In-House Only
Protocol if Original Mortgage Loan Amount is Greater than \$6,000,000 and up to \$30,000,000						
(NOTE: When the inspection protocol below is based, in part, on the DSCR, the DSCR must be based on the most recent annual financial statement submitted to Fannie Mae. A Property with a most recent inspection rating of 4 or 5 must have an Annual Full Inspection, regardless of the DSCR test outlined below.)						
Mortgage Loan Type	Fannie Mae Mortgage Loan Rating	Inspection Frequency	Min% of Total Units to be Inspected ¹	Min/ Max Number of Units to be Inspected ²	Min Required Photos	Third-Party or In-House Inspector
All Mortgage Loans other than Seniors Housing Mortgage Loans and DUS Plus	Pass or Special Mention; DSCR > 1.35 or Coop DSCR > 1.00	Full Inspection every 2 years; Annual Full Inspection if current year DSCR not available	5%	5/15	15	Third-Party or In-House



PROPERTY INSPECTION PROTOCOL						
	Pass or Special Mention; DSCR < 1.35 or Coop DSCR < 1.00	Annual Full Inspection	5%	5/15	15	Third-Party or In-House
	Substandard or Doubtful	Annual Full Inspection	10%	10/20	15	In-House Only
Seniors Housing Mortgage Loans	Pass or Special Mention	Annual Full Inspection	5%	5/15	15	Third-Party or In-House
	Substandard or Doubtful	Annual Full Inspection	10%	10/20	15	In-House Only
DUS Plus	All Ratings	Annual Full Inspection	10%	10/20	15	In-House Only
All Maturing Mortgage Loans	All Ratings	Full Inspection due within the 12 months prior to Maturity Date ^{1,2}	Follow requirements for applicable Mortgage Loan type.			
Protocol if Original Mortgage Loan Amount is \$6,000,000 or Less						
Mortgage Loan Type	Fannie Mae Mortgage Loan Rating	Inspection Frequency	Min% of Total Units to be Inspected ¹	Min/Max Number of Units to be Inspected ²	Min Required Photos	Third-Party or In-House Inspector
All Mortgage Loans other than Seniors Housing Mortgage Loans	Pass or Special Mention, and original Mortgage Loan amount < \$750,000	Walk Around every 5 years	N/A	N/A	10	Third-Party or In-House
	Pass or Special Mention, and original Mortgage Loan amount \$750,000 to \$3,000,000	Full Inspection every 2 years	5%	2/5	10	Third-Party or In-House
	Pass or Special Mention, and original Mortgage Loan amount <\$3,000,001 and <\$5,000,000 in Eligible MSAs	Full Inspection every 2 years	5%	2/5	10	Third-Party or In-House
	Substandard or Doubtful, and original Mortgage Loan amount < \$3,000,001 (\$5,000,000 in Eligible MSAs)	Annual Full Inspection	10%	2/5	10	In-House Only
Seniors Housing Mortgage Loans	Pass or Special Mention	Annual Full Inspection	5%	5/15	15	Third-Party or In-House



PROPERTY INSPECTION PROTOCOL						
	Substandard or Doubtful	Annual Full Inspection	10%	10/20	15	In-House Only
All Maturing Mortgage Loans	All Ratings	Full Inspection due within 12 months prior to Maturity Date ³	Follow requirements for applicable Mortgage Loan type.			
<p>1 The number of units to be inspected based on the Minimum Percentage Requirement should not exceed the Maximum Number of Units.</p> <p>2 For a Property with 10 units or less, the minimum number of units to be inspected is 2 units. This minimum unit count is for occupied and vacant units. If the Property contains any down units, then all down units must be inspected in addition to the occupied and vacant units.</p> <p>3 If the next scheduled inspection due date for a Property is less than six months prior to the Maturity Date, then the next scheduled inspection due date shall be that date which is six months prior to the Maturity Date.</p>						
<p>NOTE: If a Property consists of Non-Contiguous Parcels or scattered sites:</p> <ul style="list-style-type: none"> • all buildings on each separate parcel or site must be inspected; • the total required number of units based on the above protocol must be allocated among each parcel in approximately the same proportion as the number of units at each parcel to the total number of units at the Property; and • the units to be inspected at each parcel must be selected randomly, according to the above inspection protocol. 						



Glossary

D

DUS Plus Mezzanine Financing option provided by the Fannie Mae-designated mezzanine Lender.

M

Maturity Date Date all amounts due and owing under the Mortgage Loan become fully due and payable per the Loan Documents.

Synonyms

- Maturity Dates

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

Mortgage Loan Origination Date Date the Lender funds a Mortgage Loan to the Borrower.

Synonyms

- Mortgage Loan's Origination Date
- Origination Date

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