



Fannie Mae®

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# Multifamily Selling and Servicing Guide

Effective as of October 25, 2024

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## Section 112 Property Management and Agreement

### 112.01 Property Management

#### Requirements

You must ensure the Property's management team is adequate.

#### Guidance

An independent, professional Property management company is not required. However, when analyzing Property management, you should consider if the management team:

- has adequate experience to ensure effective Property
  - administration,
  - leasing,
  - marketing, and
  - maintenance; and
- is staffed appropriately for the
  - Property type and size, and
  - services provided.

### 112.02 Property Management Agreement

#### Requirements

If the Borrower is not the Property manager, you must ensure the:

- Borrower has a written management agreement with a Property management company allowing Lender cancellation without penalty or prior notice in case of a Borrower default per the Loan Documents; or
- Borrower and Property manager complete the Assignment of Management Agreement ([Form 6405](#)).

#### Guidance

You should ensure the Property management agreement clearly states the



- Property manager's responsibilities, and
- amount of the management fee (or fee determination methodology).



# Glossary

## B

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

**Synonyms**

- Borrowers
- Borrower's

## L

**Lender** Person Fannie Mae approved to sell or service Mortgage Loans.

**Synonyms**

- Lenders
- Lender's

**Loan Documents** All Fannie Mae-approved documents evidencing, securing, or guaranteeing the Mortgage Loan.

**Synonyms**

- Loan Document
- Mortgage Loan Document
- Mortgage Loan Documents

## 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