



# Multifamily Selling and Servicing Guide

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## TABLE OF CONTENTS

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Part V Section 503.03 Quarterly Reporting on Financial Analysis of Operations .....	3
503.03A Quarterly Reporting Requirements .....	3
503.03B Quarterly Submission Requirements by Asset Class .....	3
GLOSSARY .....	8



## **503.03** Quarterly Reporting on Financial Analysis of Operations

### **503.03A** Quarterly Reporting Requirements

The Servicer must submit detailed quarterly operating statements for each Property, normalized to account for any seasonal variations in income and expenses, in accordance with the requirements set forth for each Asset Class in the tables below. The reports must be submitted through the MAMP. All submitted operating statements will undergo automated quality control testing, and any quality control issues identified must be resolved timely.

The quarterly operating statements must reflect the actual physical occupancy level for the Property as of the end of each quarter, based on the most recently available rent roll. When quarterly reports are required, the Servicer must provide actual expenses, and must normalize certain expense items, including, but not limited to, real estate taxes, casualty insurance, Replacement Reserves, and management fees, consistent with the guidance provided in the MAMP for submitting annual financial statements. The Servicer must explain any seasonal data discrepancies, and provide comments if any of the following are observed:

- a variance of greater than 20% from the same reporting period in the prior year of any of Effective Gross Income, total operating expenses, Gross Potential Rent, Private Pay, Medicare/Medicaid, Repairs and Maintenance, Utilities, Water and Sewer, Real Estate Taxes and Property Insurance;
- a variance in physical occupancy of greater than 10% from the immediately preceding reporting period;
- a change in the Property's tax-exempt status (if applicable);
- a change in the required P&I payments during a reporting period (e.g., interest-only to amortizing);
- management fees of less than 3%;
- a change in any other pertinent information related to the Property financial analysis; or
- the Mortgage Loan is on the Fannie Mae Watchlist.

Quarterly financial reporting is not required, and no waiver need be submitted, for any Mortgage Loan if it is secured by a Cooperative Property, or it is a Small Mortgage Loan, unless such Cooperative Property or Small Mortgage Loan is on the Fannie Mae Watchlist.

### **503.03B** Quarterly Submission Requirements by Asset Class



1. All Asset Classes (except Seniors Housing Properties, Watchlist Properties, Credit Facilities, and Bulk Deliveries). The Servicer must submit detailed quarterly operating statements 75 days after the end of the second and third quarters, as set forth below.

<b>All Asset Classes except Seniors Housing, Watchlist Properties, Credit Facilities, and Bulk Deliveries</b>			
		<b>Required Information</b>	
<b>Quarter</b>	<b>Due Date*</b>	<b>Property with a 12/31 Fiscal Year End</b>	<b>Property with other than a 12/31 Fiscal Year End</b>
Second	September 15	Financial operating statements for the period from January 1 through June 30	6 months year to date operating data
Third	December 15	Financial operating statements for the period from January 1 through September 30	9 months year to date operating data

\*If any due date is not a Business Day, then the submission may be made on the next Business Day.

2. Seniors Housing Properties. For Seniors Housing Properties, the Servicer must submit detailed quarterly operating statements 75 days after the end of the first, second, third and fourth quarters, as set forth below.

<b>Seniors Housing Properties</b>			
		<b>Required Information</b>	
<b>Quarter</b>	<b>Due Date*</b>	<b>Property with a 12/31 Fiscal Year End</b>	<b>Property with other than a 12/31 Fiscal Year End</b>



<b>Seniors Housing Properties</b>			
		<b>Required Information</b>	
<b>Quarter</b>	<b>Due Date*</b>	<b>Property with a 12/31 Fiscal Year End</b>	<b>Property with other than a 12/31 Fiscal Year End</b>
First	June 15	Financial operating statements for the period from January 1 through March 31	Trailing 3 months operating data
Second	September 15	Financial operating statements for the period from April 1 through June 30	Trailing 3 months operating data
Third	December 15	Financial operating statements for the period from July 1 through September 30	Trailing 3 months operating data
Fourth	March 15	Financial operating statements for the period from October 1 through December 31	Trailing 3 months operating data
*If any due date is not a Business Day, then the submission may be made on the next Business Day.			

3. Watchlist Properties. For Watchlist Properties (including any Mortgage Loan secured by a Cooperative Property or any Small Mortgage Loans), the Servicer must submit detailed quarterly operating statements 90 days after the end of the first quarter, and 75 days after the end of the second and third quarters, as set forth below.



Watchlist Properties			
		Required Information	
Quarter	Due Date*	Property with a 12/31 Fiscal Year End	Property with other than a 12/31 Fiscal Year End
First	June 30	Financial operating statements for the period from January 1 through March 31	3 months year-to-date operating data
Second	September 15	Financial operating statements for the period from January 1 through June 30	6 months year-to-date operating data
Third	December 15	Financial operating statements for the period from January 1 through September 30	9 months year-to-date operating data
*If any due date is not a Business Day, then the submission may be made on the next Business Day.			

4. Credit Facilities and Bulk Deliveries. For Credit Facilities and Bulk Deliveries, the Servicer must submit both the detailed quarterly operating statements and the Deal Level Structured Transaction (BD/CF) Quarterly report, including the Structured Facilities Monitoring Narrative (Form 4801), Spreadsheet (Form 4802), and any other relevant documents, 75 days after the end of the first, second, third, and fourth quarters, as set forth below.



<b>Credit Facility and Bulk Delivery Properties</b>			
		<b>Required Information</b>	
<b>Quarter</b>	<b>Due Date*</b>	<b>Property with a 12/31 Fiscal Year End</b>	<b>Property with other than a 12/31 Fiscal Year End</b>
First	June 15	Financial operating statements for the period from January 1 through March 31, and deal level reports	Trailing 3 months operating data
Second	September 15	Financial operating statements for the period from April 1 through June 30, and deal level reports	Trailing 3 months operating data
Third	December 15	Financial operating statements for the period from July 1 through September 30, and deal level reports	Trailing 3 months operating data
Fourth	March 15	Financial operating statements for the period from October 1 through December 31, and deal level reports	Trailing 3 months operating data
*If any due date is not a Business Day, then the submission may be made on the next Business Day.			



## Glossary

### A

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

### B

**Bulk Delivery** Structured Transaction that:

- is governed by a Bulk Delivery Agreement; and
- includes the ability to
  - add Mortgage Loans in the future, or
  - substitute a new Property for an existing Property as collateral.

#### **Synonyms**

- Bulk Deliveries

**Business Day** Any day other than a

- Saturday,
- Sunday,
- day on which Fannie Mae is closed,
- day on which the Federal Reserve Bank of New York is closed, or
- for any MBS and any required withdrawal for remittance thereunder, a day on which the Federal Reserve Bank is closed in the district where any funds are held for the MBS.

#### **Synonyms**

- Business Days

### C





## Cooperative Property

Multifamily residential property owned by a Cooperative Organization.

### **Synonyms**

- Coop
- Cooperative

## Credit Facility

Structured Transaction that

- is governed by a Master Credit Facility Agreement, and
- includes cross-collateralized and cross-defaulted Mortgage Loans and Properties.

### **Synonyms**

- Credit Facilities

## **E**

### Effective Gross Income

On an annual basis or any specified period, the total of Net Rental Income plus other income per [Part II, Chapter 2: Valuation and Income, Section 202: Income Analysis](#) and the applicable products and features in Part III.

### **Synonyms**

- EGI

## **G**

### Gross Potential Rent

On an annual basis or any specified period, the total actual and potential rent for a Property (per [Part II, Chapter 2: Valuation and Income, Section 202: Income Analysis](#) and the applicable products and features in Part III).

### **Synonyms**

- GPR

## **M**



**MAMP** Multifamily Asset Management Portal used to submit Property inspections, operating statements, and requested modifications; asset management reports; and data corrections related to loan or property level attributes.

**Synonyms**

- Multifamily Asset Management Portal

**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**

**P&I** Principal and interest

**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



## Small Mortgage Loan

Mortgage Loan with an original loan amount less than or equal to \$6 million and underwritten per [Part III, Chapter 9: Small Mortgage Loans](#).

### **Synonyms**

- Small Mortgage Loans

## W

### Watchlist

Mortgage Loan or Property exhibiting heightened credit risk as identified by the Lender or Fannie Mae.