



# Multifamily Selling and Servicing Guide

Effective as of November 25, 2019

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### **603.03** Increased Communication with Fannie Mae

A Servicer must increase its communication with the appropriate Multifamily Loss Mitigation, Multifamily Maturity Management, and Top Loss Management Representative concerning any Mortgage Loan that meets the criteria of a:

- Special Mention Asset;
- Substandard Asset; or
- Doubtful Asset.

The Servicer must contact Multifamily Loss Mitigation, or the appropriate Multifamily Maturity Management or Top Loss Management Representative by telephone or e-mail within 10 Business Days after the Servicer determines that a Mortgage Loan has moved to either a Substandard Asset or a Doubtful Asset since the last reporting period.

These communications must provide sufficient detail to ensure that Fannie Mae is fully apprised of the nature and severity of the factors leading to the rating characterization assigned by the Servicer.

A Servicer must act prudently and in a timely manner, as required under its Lender Contract, this Guide, and the Loan Documents, to mitigate the risk of loss or default with respect to Mortgage Loans serviced on behalf of Fannie Mae. Such actions may include, but are not limited to:

- increased monitoring of the management and operating results of the Property (and other collateral, if any);
- increased monitoring of the physical condition of the Property (i.e., increased inspections beyond the stated requirements);
- rescission of waivers or implementation of Loan Document requirements that serve to mitigate risk (e.g., the reinstatement of the Multifamily Loan Agreement requirement to fund the Replacement Reserve that had been previously waived); and
- increased communication with the Borrower and any party that has managerial rights pertaining to the Borrower or the Property (and other collateral pledged with respect to the Mortgage Loan, if any).



# Glossary

## 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

**Lender Contract** Program Documents per the Mortgage Selling and Servicing Agreement.

**Synonyms**

- Lender's Contract
- Lender Contracts
- Contract
- MSSA



## 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

### Multifamily Loan Agreement

Agreement evidencing the terms of a Mortgage Loan using the [Form 6001 series](#) Loan Documents or another form approved by Fannie Mae.

### Multifamily Loss Mitigation

Team that can be contacted at [lm\\_watch@fanniemae.com](mailto:lm_watch@fanniemae.com).

### **Synonyms**

- Multifamily Watchlist

## **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

## **R**



## Replacement Reserve

Custodial Account established by the Lender and funded by deposits from the Borrower over the term of the Mortgage Loan to fund the replacement of capital items at the Property.

### **Synonyms**

- Replacement Reserves

## **S**

## Servicer

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

### **Synonyms**

- Servicers