



Multifamily Selling and Servicing Guide

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Section 606 Action Plans

606.01 Action Plans for Primary Risk Mortgage Loans

The Servicer must submit an Action Plan for every Primary Risk Mortgage Loan identified as a Substandard Asset on the Fannie Mae Watchlist. However, no Action Plan is required for Small Mortgage Loans that are Substandard Assets unless specifically requested by Fannie Mae. Periodically, Fannie Mae publishes a schedule outlining the dates by which the Servicer must (i) determine whether any Mortgage Loan qualifies as a Substandard Asset, and (ii) submit the Action Plan.

Action Plans must contain details sufficient to allow Fannie Mae to understand (i) the areas of concern, (ii) the actions the Servicer is taking to resolve the issues, and (iii) the results of the actions. A Watchlist Management User Guide and prescribed formats for Action Plans are published on the Lender Dashboard of the Watchlist Management application and in the Resource Library of the MAMP. The Servicer must update Action Plans as needed, but not less frequently than twice per year to reflect:

- material changes;
- causes of issues and additional actions being taken;
- an explanation of how additional actions will reduce the risk factors of the Mortgage Loan; and
- the results of any actions taken previously.

A Servicer may suspend actions required under an Action Plan for a Substandard Asset if it is re-characterized as a Special Mention Asset, a Pass/Watch Asset, or a Pass Asset prior to the date set forth in the Fannie Mae publication by which the Servicer must determine whether any Mortgage Loan qualifies as a Substandard Asset.

Fannie Mae will evaluate the quality of the Servicer's Action Plans, including timeliness of the submission, completeness, appropriateness, and management activity.

606.02 Information Requests and Action Plans for Secondary Risk Mortgage Loans

Fannie Mae may request additional information from the Servicer with respect to Secondary Risk Mortgage Loans on the Servicer Watchlist. Such information may include an Action Plan which must be in the format prescribed in the Lender Dashboard – Watchlist Management application. All requested information and Action Plans must be provided by the Servicer within 5 Business Days after request by Fannie Mae.



606.03 Defaulted Mortgage Loans on Fannie Mae or Servicer Watchlist

The Servicer's obligations with respect to defaulted Mortgage Loans are addressed in [Part V, Chapter 7: Non-Performing Mortgage Loans](#). The Servicer must continue to execute activities set forth in an Action Plan (and as otherwise communicated to or with Fannie Mae) with respect to a defaulted Mortgage Loan until and unless servicing of the Mortgage Loan is transferred to Special Servicing in accordance with [Part V, Chapter 7: Non-Performing Mortgage Loans](#). Once transferred to Special Servicing, the Servicer may suspend any actions required under an Action Plan.



Glossary

A

Action Plan

Servicer's report to Fannie Mae including detailed analysis of Mortgage Loan and Property issues, Servicer's strategy for resolving issues, and related actions and outcomes.

Synonyms

- Action Plans

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

Person approved by Fannie Mae to sell or service Mortgage Loans.

Synonyms

- Lenders
- Lender's

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

Primary Risk Mortgage Loan

Mortgage Loan where Fannie Mae bears all losses or where the Lender and Fannie Mae share losses.

Synonyms

- Primary Risk Mortgage Loans
- Primary Risk

S

Servicer

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

Synonyms

- Servicers

W

Watchlist

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