

# Multifamily Selling and Servicing Guide

Effective as of November 4, 2025

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#### **408.04E** New Property Condition Assessments

#### 1. Timing and Waivers

A new full PCA per Form 4099 is required for:

- all MAH Properties every 5 years; or
- for any other Mortgage Loan with a term greater than 10 years, during the 10th Loan Year, and every 10 years thereafter, while the Mortgage Loan remains outstanding, or per the Loan Documents.

Notwithstanding the above, the Servicer is delegated the authority to waive the new PCA for non-MAH Properties as follows:

| Remaining Loan<br>Term | Servicer Delegation   |
|------------------------|---|
| Less than 1 Year       | The new PCA may be waived for a Mortgage Loan with a:   |
|                        | <ul> <li>Pass rating;</li> <li>Property inspection less than 1 year old; and</li> <li>most recent Property Condition Rating of 1, 2, or 3.</li> </ul>             |
| 1 Year to 5 Years      | The new PCA may be waived for a Mortgage Loan with a:   |
|                        | <ul> <li>Pass rating;</li> <li>Property inspection report less than 1 year old;</li> <li>and</li> <li>most recent Property Condition Rating of 1 or 2.</li> </ul> |
| More than 5 Years      | The new PCA may be waived for 5 years for a Mortgage Loan with a:   |
|                        | <ul> <li>Pass rating;</li> <li>Property Inspection report less than 1 year old;</li> <li>and</li> <li>most recent Property Condition Rating of 1 or 2.</li> </ul> |

After 5 years, a new PCA is required unless the Mortgage Loan continues to qualify for Servicer waiver delegation. A Property may only receive a PCA waiver twice (i.e., a Mortgage Loan with a 30-year term may

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obtain a PCA waiver after the 10th loan year and the 15th loan year, but a new PCA is required after the 20th loan year).

All PCA waivers must be documented in the Servicing File, and any PCA waiver may be rescinded by Fannie Mae or the Servicer at any time if the Property condition warrants a new PCA.

#### 2. Delivery and Payment of Property Condition Assessment

The Servicer must submit any new PCA to Fannie Mae through the MAMP and retain a copy in its Servicing File. Subject to the terms of the Loan Documents, the cost of the PCA may be paid from funds in the Replacement Reserve.

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# **Glossary**

#### D

Delivery

Submission of all correct, accurate, and certifiable documents, data, and information with all applicable documents properly completed, executed, and recorded as needed, and any deficiencies resolved to Fannie Mae's satisfaction.

#### **Synonyms**

- Deliver
- Delivered
- Deliveries

# L

**Loan Documents** 

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

#### **Synonyms**

- Loan Document
- Mortgage Loan Document
- Mortgage Loan Documents

Loan Year

Period beginning on the date of the Note and ending on the last day of the month that is 12 full months after the date of the Note, and each successive 12-month period thereafter.

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### **Synonyms**

Loan Years

M



#### **MAMP**

Multifamily Asset Management Portal used to submit

- Property inspections,
- · operating statements,
- requested modifications,
- asset management reports, and
- data corrections for loan or property attributes.

#### **Synonyms**

- Multifamily Asset Management Portal
- MAMP's

#### 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's

#### 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).

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#### **Synonyms**

- Properties
- Property's



#### Property Condition Assessment

Assessment of the Property's physical condition and historical operation.

#### **Synonyms**

- PCA
- PNA
- Physical Needs Assessment
- PCAs

# Property Condition Rating

An assessment of the Property's overall condition per the MBA Standard Inspection Form, expressed on a scale from 1 (the best Property Condition Rating) to 5 (lowest Property Condition Rating).

#### **Synonyms**

Property Condition Ratings

#### R

#### Replacement Reserve

Custodial Account the Borrower funds during the Mortgage Loan term for Replacements.

# **Synonyms**

Replacement Reserves

# S

#### Servicer

Primary Person servicing the Mortgage Loan, including

- the originator,
- seller, or
- a third party.

# Synonyms

- Servicers
- Servicer's

#### Servicing File

Your file for each Mortgage Loan serviced.

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#### **Synonyms**

Servicing Files