



Multifamily Selling and Servicing Guide

Effective as of November 25, 2019

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201.02C Appraised Value

Requirements

You must ensure that the appraiser provides an opinion of the market value of the Property on an “as is” basis.

You may also request that the appraiser provide an opinion of the market value of the Property on an “as completed” basis, but you must only use an “as completed” Appraisal for the opinion of Appraised Value if all of the following conditions apply:

- less than 12 months have passed between when the Borrower acquired the Property and the Commitment Date;
- for any capital improvements made after the Mortgage Loan Origination Date to be considered in an “as completed” Appraisal, they must be:
 - Immediate Repairs listed in the PCA; or
 - improvements identified by the Borrower, if you concur that the improvements will add value to the Property;
- all capital improvements are included in either the Completion/Repair Agreement or the Rehabilitation Reserve Agreement;
- sufficient funds to complete all capital improvements are deposited into either the Completion/Repair Escrow or the Rehabilitation Reserve Account:
 - for capital improvements identified as Immediate Repairs, the funds must cover any higher funding percentage you require; and
 - for capital improvements identified by the Borrower, the funds must cover the estimated cost (including an allowance for cost overruns); and
- all capital improvements are required to be completed in a timely manner:
 - those identified by the Borrower must be completed within 12 months after the Mortgage Loan Origination Date; and
 - for others identified as Immediate Repairs, a shorter time period may be required by [Part II, Chapter 4: Inspections and Reserves, Section 403: Completion/Repairs](#).



Glossary

A

Appraisal Written statement independently and impartially prepared by a qualified appraiser stating an opinion as to the market value of the Property as of a specific date, supported by the presentation and analysis of relevant market information.

Synonyms

- Appraisals

Appraised Value Appraiser's opinion of the market value of the Property documented in the Appraisal, on an "as is" basis, unless use of an "as completed" basis is specifically permitted by the Guide.

Synonyms

- Appraised Values

B

Borrower Person who is the obligor under the Note.

Synonyms

- Borrowers
- Borrower's

C

Commitment Date Date a Commitment is confirmed by Fannie Mae as described in [Part IV A, Chapter 3: Committing](#).



Completion/Repair Agreement

Document evidencing the Borrower's agreement to undertake Completion/Repairs and other identified capital improvements, the terms for funding the repairs, maintenance, or capital items, and the disbursement of funds from the Completion/Repair Escrow (e.g., Form 4505, or the applicable parts of the Multifamily Loan Agreement ([Form 6001 series](#)), including the Required Repair Schedule to the Multifamily Loan Agreement).

Synonyms

- Completion/Repair Agreements

Completion/Repair Escrow

Custodial Account established by the Lender and initially funded by an escrow deposit from the Borrower on the Mortgage Loan Origination Date to complete Completion/Repairs or other capital improvements at the Property.

Completion/Repairs

Immediate Repairs identified by the Property Condition Assessment and required by the Lender to be included in the Completion/Repair Agreement (or a Certificate of Borrower, if applicable).

Synonyms

- Completion/Repair

M

Mortgage Loan Origination Date

Date the Lender funds a Mortgage Loan to the Borrower.

Synonyms

- Mortgage Loan's Origination Date
- Origination Date

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

Rehabilitation Reserve Account

Custodial Account established by the Lender and funded by deposits from the Borrower per the Rehabilitation Reserve Agreement to fund the Rehabilitation Work.

Rehabilitation Reserve Agreement

Borrower's agreement to undertake identified Rehabilitation Work, the terms for funding the Rehabilitation Work, and the disbursement of funds from the Rehabilitation Reserve Account (e.g., [Form 6222.Mod](#), [Form 6222.Sub](#), or [Form 4523](#)).