



Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of August 29, 2025

No portion of this Multifamily Selling and Servicing Guide may be reproduced in any form or by any means without Fannie Mae's prior written permission, except as may be provided herein or unless otherwise permitted by law. Limited permission to reproduce this Multifamily Selling and Servicing Guide in print, in whole or in part, and limited permission to distribute electronically parts of this Multifamily Selling and Servicing Guide, are granted to Fannie Mae-approved Lenders strictly for their own use in originating and selling multifamily Mortgage Loans to, and servicing multifamily Mortgage Loans for, Fannie Mae. Fannie Mae may revoke this limited permission by sending 60 days advance written notice to any or all Fannie Mae-approved Lenders.



TABLE OF CONTENTS

Part III Section 1804 Streamlined Underwriting 3

 1804.01 Environmental Site Assessment 3

 1804.02 Radon Testing 3

 1804.03 Survey 3

 1804.04 Borrower Structure and Experience 4

 1804.05 Borrower Credit 4

 1804.06 Property Management 5

 1804.07 Replacement Reserve 5

 1804.08 Real Estate Tax and Insurance Escrows 6

GLOSSARY 7



Section 1804 Streamlined Underwriting

1804.01 Environmental Site Assessment

☒ Requirements

A Phase I Environmental Site Assessment is not required if:

- an Environmental Professional performs an environmental database review and identifies no
 - potential environmental concerns (as defined in ASTM E1528 - Standard Practice for Limited Environmental Due Diligence: Transaction Screen), or
 - adverse conditions requiring further due diligence;
- the Borrower enters into an Environmental Indemnity Agreement ([Form 6085](#)); and
- you confirm that the Borrower is appropriately implementing any existing O&M Plans for the Property.

1804.02 Radon Testing

☒ Requirements

You must ensure any radon testing required per Environmental Due Diligence Requirements ([Form 4251](#)) is performed, unless testing meeting the current requirements of [Form 4251](#) was performed when the Portfolio Mortgage Loan was originated.

1804.03 Survey

☒ Requirements

[Part II, Chapter 3: Legal Compliance, Section 305: Survey](#) does not apply if the:

- new mortgagee title insurance policy includes all title exceptions, including those that would appear based upon the most recent survey provided by the Borrower (whether it is the original survey for the Portfolio Mortgage Loan or a subsequent one);
- Borrower certifies that there have been no changes or improvements to the Property since the later of the date of the survey



- referenced in the original title policy, or
- most recently completed; and
- Property inspection report reveals no evidence of new construction or encroachments on the site from construction on adjoining properties.

1804.04 Borrower Structure and Experience

Requirements

You must:

- Obtain a new Multifamily Underwriting Certificate ([Form 6460 series](#)) from the Borrower, any Guarantor, and any Key Principal.
- Obtain updated copies of the organizational documents of the Borrower and the Key Principal, and confirm that the Borrower's organizational structure complies with [Part II, Chapter 3: Legal Compliance](#).
- Confirm that no unauthorized change has been made to the Borrower's organizational structure or documents.
- Obtain a new good standing certificate from the jurisdiction where the Borrower is organized.

1804.05 Borrower Credit

Requirements

You must obtain and review new financial statements for all parties relevant to the transaction.

For Small Mortgage Loans, you must:

- confirm that the FICO scores of any such individuals comply with [Part III, Chapter 9: Small Mortgage Loans, Section 911.02: FICO Scoring](#); and
- ensure that the net worth and liquidity complies with [Part III, Chapter 9: Small Mortgage Loans, Section 910.06: Net Worth and Liquid Assets](#).

Guidance

If the Borrower or any Key Principal, Guarantor, or Principal submitted financial statements within the past 12 months, then in lieu of new financial statements, you may accept a certification that there has been no material



adverse change from the financial condition or credit standing reflected in the financial statements.

1804.06 Property Management

➔ Guidance

You may elect not to review the Property management or agreement per [Part II, Chapter 1: Attributes and Characteristics, Section 112: Property Management and Agreement](#).

1804.07 Replacement Reserve

☑ Requirements

You must ensure the Replacement Reserve is funded as follows:

If...	Then...
The Property <ul style="list-style-type: none">• is located in a Pre-Review Market that is not eligible for delegation at any Tier per Section II of Form 4660 , and• the market was a Pre-Review Market when the Portfolio Mortgage Loan was originated.	The Borrower must fully fund the Replacement Reserve.
The Property <ul style="list-style-type: none">• is located in a Pre-Review Market that is not eligible for delegation at any Tier per Section II of Form 4660 , and• the market was not a Pre-Review Market when the Portfolio Mortgage Loan was originated.	You must determine the Replacement Reserve funding per Part II, Chapter 4: Lease Audits, Inspections, and Reserves, Section 406: Replacement Reserve .



If...	Then...
The Property is located in <ul style="list-style-type: none">• a Strong Market,• a Nationwide Market, or• a Pre-Review Market that is eligible for Tier 3 and Tier 4 Mortgage Loans on a delegated basis per Section II of Form 4660 .	You must determine the Replacement Reserve funding per Part II, Chapter 4: Lease Audits, Inspections, and Reserves, Section 406: Replacement Reserve.

1804.08 Real Estate Tax and Insurance Escrows

☒ Requirements

You must require T&I escrow deposits for a Tier 2 Choice Refinance Loan unless Fannie Mae waived the T&I escrow for the Portfolio Mortgage Loan. If you do not require T&I escrow deposits, then you must comply with [Part II, Chapter 4: Lease Audits, Inspections, and Reserves, Section 407: Escrow Requirements for Taxes and Insurance.](#)



Glossary

A

ASTM American Society for Testing Materials

B

Borrower	Person who is the obligor per the Note.
----------	---

Synonyms

- Borrowers
- Borrower's

C

Choice Refinance Loan	Mortgage Loan refinancing a Portfolio Mortgage Loan using streamlined underwriting per Part III, Chapter 18: Choice Refinance Loans .
-----------------------	---

Synonyms

- Choice Refinance Loans

E

Environmental Site Assessment	Investigation and resulting report (Phase I ESA or Phase II ESA) conducted per Environmental Due Diligence Requirements (Form 4251), identifying if a Property has Recognized Environmental Conditions or Business Environmental Risks.
-------------------------------	---

Synonyms

- Environmental Site Assessments

F



Form 4660

Multifamily Underwriting Standards identifying Pre-Review Mortgage Loans and containing the underwriting requirements (e.g., debt service coverage ratio, loan to value ratio, interest only, underwriting floors, etc.) for all Mortgage Loans.

Synonyms

- Multifamily Underwriting Standards

G

Guarantor

Key Principal or other Person executing a

- Payment Guaranty,
- Non-Recourse Guaranty, or
- any other Mortgage Loan guaranty.

Synonyms

- Guarantors

K

Key Principal

Person who

- controls and/or manages the Borrower or the Property,
- is critical to the successful operation and management of the Borrower and the Property, and/or
- may be required to provide a Guaranty.

Synonyms

- Key Principals
- Key Principal's

L

Lease

Written agreement between an owner and the tenant of a Property stipulating the conditions for possession and use of real estate for a specified period of time and rent.

Synonyms

- Leases

M



Multifamily Underwriting Certificate

Multifamily Underwriting Certificate ([Form 6460 series](#)) , and/or other agreement approved by Fannie Mae that provides underwriting information for a Mortgage Loan.

P

Portfolio Mortgage Loan

Mortgage Loan purchased by Fannie Mae and held as of a certain date regardless of whether it is a Cash Mortgage Loan or an MBS Mortgage Loan.

Synonyms

- Portfolio Mortgage Loans
- Portfolio Mortgage Loan's

Pre-Review

Requirement that you obtain Fannie Mae's approval before you Rate Lock a Mortgage Loan.

Principal

Person who owns or controls, in the aggregate, directly or indirectly (together with that Person's Immediate Family Members, if an individual), specified interests in the Borrower per [Part I, Chapter 3: Borrower, Guarantor, Key Principals, and Principals, Section 303: Key Principals, Principals, and Guarantors](#).

Synonyms

- Principals

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).

Synonyms

- Properties
- Property's

R



Replacement Reserve

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

Synonyms

- Replacement Reserves

T

Taxes and Insurance

Taxes or assessments that may become a Lien on the Property and insurance premiums.

Synonyms

- T&I
- Tax and Insurance