



Fannie Mae®

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# Multifamily Selling and Servicing Guide

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**TABLE OF CONTENTS**

---

Part V Section 402.06E Collateral Analysis ..... 3

GLOSSARY ..... 5



## 402.06E Collateral Analysis

### Operating Procedures

If the Property needs repairs or maintenance:

Step	Activity	You must...
1	Notify Borrower	<ul style="list-style-type: none"><li>• Within 45 days after the inspection date,<ul style="list-style-type: none"><li>- identify the repair or maintenance issues,</li><li>- include any photos, and</li><li>- direct the Borrower to timely complete the work.</li></ul></li><li>• Use <a href="#">Form 4830</a> if the Property inspection rating is 3, 4, or 5.</li></ul>
2	Follow Up	<ul style="list-style-type: none"><li>• Follow up to ensure the Borrower responded and the work was successfully completed. If not:<ul style="list-style-type: none"><li>- notify the Borrower;</li><li>- notify Multifamily Inspections; and</li><li>- include your resolution recommendation.</li></ul></li><li>• Use <a href="#">Form 4831</a> or <a href="#">Form 4832</a> if the Property inspection rating is 3, 4, or 5.</li></ul>
3	Set Rating	<p>Set the Property inspection overall rating to 4 (or 5 depending on the severity or other existing issues) if:</p> <ul style="list-style-type: none"><li>• 10% or more of the units are down for any reason; or</li><li>• there is casualty damage equal to<ul style="list-style-type: none"><li>- 25% of the current UPB, or</li><li>- \$1 million.</li></ul></li></ul>

### Guidance

Setting the Property inspection rating to 4 or 5 does not:

- add the Mortgage Loan to Fannie Mae's Watchlist;
- require an Action Plan; or
- require Replacement Reserves reinstatement if the rating is the result of a



casualty loss unless you

- identify other performance issues that increase credit risk, or
- expect insufficient funds or insurance proceeds to restore the Property to its original condition.



# Glossary

## A

Action Plan	Your report analyzing <ul style="list-style-type: none"><li>• the Mortgage Loan and Property issues,</li><li>• your resolution strategy, and</li><li>• related actions and outcomes.</li></ul> <b>Synonyms</b> <ul style="list-style-type: none"><li>• Action Plans</li></ul>
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## B

Borrower	Person who is the obligor per the Note. <b>Synonyms</b> <ul style="list-style-type: none"><li>• Borrowers</li><li>• Borrower's</li></ul>
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## M

Mortgage Loan	Mortgage debt obligation evidenced, or when made will be evidenced, by <ul style="list-style-type: none"><li>• the Loan Documents, or</li><li>• a mortgage debt obligation with a Fannie Mae credit enhancement.</li></ul> <b>Synonyms</b> <ul style="list-style-type: none"><li>• Mortgage Loans</li><li>• Mortgage Loan's</li></ul>
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Multifamily Inspections	Team that can be contacted at <a href="mailto:mf_inspections@fanniemae.com">mf_inspections@fanniemae.com</a> .
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## 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).

### **Synonyms**

- Properties
- Property's

## U

### UPB

Unpaid Principal Balance

### **Synonyms**

- UPBs

## W

### Watchlist

The risk rating classification if you or Fannie Mae determine the Mortgage Loan has heightened credit risk.