

Multifamily Selling and Servicing Guide

Effective as of September 8, 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 2102 Control	3
GLOSSARY	7



Section 2102

Control

Requirements

Control Requirements		
For a	To be eligible for Delivery, you must ensure the Borrower has	
Wholly-Owned Condominium	Complete control to directly or indirectly manage and operate the Condominium Property, through voting rights, consent rights, or ownership, to control all: • voting outcomes; and • actions taken, including for: - Condominium termination; - Condominium Document amendments; - assessments and budgets; - insurance requirements; and - post casualty or condemnation: • restoration and repair; and • proceeds or award application.	



Control Requirements		
For a	To be eligible for Delivery, you must ensure the Borrower has	
Fractured Condominium or Commercial Condominium	Material control (including the requisite votes in any Person directly or indirectly governing the Condominium), either individually or with its mortgagee, to:	
	 prevent: Condominium termination; and any Material Amendment to the Condominium Documents; and 	
	 require, either directly or per the Condominium Documents: Condominium repair and restoration, including common elements, for any casualty or condemnation damage equal to 80% or less of either the common elements, or Borrower-owned Condominium units; and for any casualty or condemnation neither repairable nor restorable, timely distribution of insurance or condemnation proceeds to Condominium unit owners. 	

Guidance

Condominium Document Review	
Торіс	You should review the Condominium Documents to evaluate
Governing Body	Membership
	 composition, appointment, and removal.



(Condominium Document Review
Торіс	You should review the Condominium Documents to evaluate
Voting	Thresholds for
	 making decisions, amending documents, and terminating the condominium structure.
Association	 Responsibilities for collecting fees, managing maintenance tasks, obtaining adequate insurance, and mediating disputes. Requirements and restrictions for operations,
	 physical appearance, common area alterations, unit alterations, and rebuilding.
Assessment Fees	Provisions for establishment, escalation, and special assessments.
Common Areas	Use of
	 shared amenities, ingress/egress, and parking.
Financials	Reasonableness of
	 annual budget, 3 years Condominium income/expense statements, and reserves.



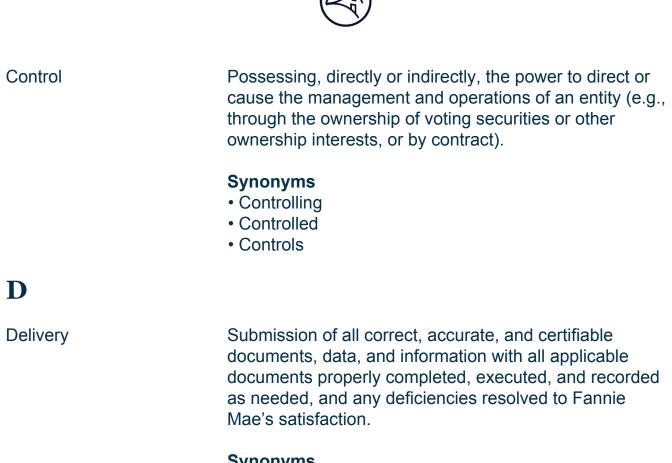
Condominium Document Review	
Торіс	You should review the Condominium Documents to evaluate
Insurance Proceeds and Condemnation Awards	How funds are held, applied, and disbursed.
Covenant Enforcement	 Ability to, and history of, levying fines, collecting interest, and/or placing and foreclosing liens.
Insurance	Coverage for • property (e.g., accidents, fire, equipment failure, flood, wind, etc.), • liability (personal injury), and • director's and officer's (e.g., theft, fraud, etc.).



Glossary

B

Borrower	Person who is the obligor per the Note.
	Synonyms • Borrowers • Borrower's
С	
Commercial Condominium	Mixed-use Condominium Property combining Borrower- owned multifamily residential units with 1 or more other uses (e.g., retail, hotel, office, etc.) which may not be Borrower-owned.
Condominium	 Statutorily established Property ownership regime where Condominium Documents designate: individual units for separate ownership; and common areas for shared use and joint ownership by the unit owners.
Condominium Documents	Governing documents: • for the Condominium and owners' association's - creation, - operation, and - management; and • including Condominium instruments for Condominium governance, such as - declarations, - plats, - plats, - rules and regulations, - articles of incorporation, or - any other document required by law.
	Synonyms Condominium Document



Synonyms

- Deliver
- Delivered
- Deliveries

F

Fractured Condominium Residential Condominium Property where the Borrower owns less than 100% of the units.

M



Material Amendment

Change to the Condominium Documents pertaining to:

- modifying, after a casualty or condemnation,
 - insurance requirements,
 - use of insurance proceeds, or
 - rebuild requirements;
- altering or restricting the use of the
 - Condominium units,
 - common elements, or
 - other easements;
- decreasing mortgagee
 - rights, or
 - notices;
- altering or diluting
 - voting rights, or
 - the number of board seats;
- diluting Borrower's ownership interest in, or use of, common elements;
- changing the structure or methodology for determining assessments and special assessments; or
- causing or allowing termination of the Condominium structure without Borrower or mortgagee consent.

P

Person

- Legal person, including an
- individual,
- estate,
- trust,
- corporation,
- partnership,
- limited liability company,
- financial institution,
- joint venture,
- association, or
- other organization or entity (whether governmental or private).

Synonyms

- Persons
- Person's



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

W

Wholly-Owned Condominium

Residential Condominium Property where the Borrower owns 100% of the units.