



Fannie Mae®

Multifamily Selling and Servicing Guide

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501.02D Business Income (including Rental Value) Insurance

Requirements

You must ensure:

- each Property has business income insurance (including rental value insurance), for all required coverages, including
 - ordinance or law (Coverage D),
 - windstorm,
 - flood,
 - earthquake, and
 - terrorism, etc.;
- coverage is based on:
 - Actual Loss Sustained for 12 months; or
 - the most recent annual reported (or annualized if annual financial are unavailable):
 - EGI; or
 - NOI plus continuing expenses;
- the maximum deductible for business income insurance does not exceed:
 - the maximum deductible for the property insurance policy, or
 - a waiting period of
 - 3 days, or
 - 72 hours; and
- coverage for a Mortgage Loan with a UPB of \$35 million or more includes a 90-day Extended Period of Indemnity option.



Glossary

M

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).

Synonyms

- Properties
- Property's

U

UPB

Unpaid Principal Balance

Synonyms

- UPBs