



Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of September 8, 2025

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503.01 Environmental Site Assessments

Requirements

You must:

- comply with the Environmental Due Diligence Requirements ([Form 4251](#)), including obtaining a Phase I Environmental Site Assessment (Phase I ESA) of the entire Property;
- ensure the Phase I ESA:
 - is performed per the instructions in [Form 4251](#), including meeting the current requirements of ASTM E1527;
 - is prepared by an environmental professional as that term is defined in 40 C.F.R. § 312.10 (an Environmental Professional);
 - identifies all environmental conditions and risks that may potentially impact
 - resident safety,
 - marketability, or
 - Property value; and
 - clearly identifies how to properly mitigate those conditions and risks, including where applicable:
 - the Environmental Professional's recommendations regarding additional investigation, or requirements of government authority or regulatory agency; or
 - action to remediate or abate any Recognized Environmental Condition (REC)/Controlled Recognized Environmental Condition (CREC), as those terms are defined in ASTM E1527; and
- obtain Fannie Mae's approval before Rate Lock if the Phase I ESA identified any RECs/CRECs.

Guidance

You may rely on a preliminary or draft Phase I ESA to obtain a Rate Lock and Commitment.



Glossary

A

ASTM American Society for Testing Materials

C

Commitment Contractual agreement between you and Fannie Mae where Fannie Mae agrees to buy a Mortgage Loan at a future date in exchange for an MBS, or at a specific price for a Cash Mortgage Loan, and you agree to Deliver that Mortgage Loan.

Synonyms

- Committed
- Commitments

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

- ESA
- Environmental Site Assessments

P

Phase I ESA Environmental Site Assessment conducted per the current ASTM E-1527 standard and the resulting report.

Synonyms

- Phase I Environmental Site Assessment
- Phase I ESAs



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

Rate Lock

Agreement between you and the Investor containing the terms of the Lender-Arranged Sale or Multifamily Trading Desk trade of the Mortgage Loan and the MBS terms and conditions relating to the underlying MBS, if applicable, which may be documented via a recorded telephone conversation.

Synonyms

- Rate Locks