



Fannie Mae®

Multifamily Selling and Servicing Guide

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Section 112 Property Management and Agreement

112.01 Property Management

Requirements

You must ensure the Property's management team is adequate.

Guidance

An independent, professional Property management company is not required. However, when analyzing Property management, you should consider if the management team:

- has adequate experience to ensure effective Property
 - administration,
 - leasing,
 - marketing, and
 - maintenance; and
- is staffed appropriately for the
 - Property type and size, and
 - services provided.

112.02 Property Management Agreement

Requirements

If the Borrower is not the Property manager, you must ensure the:

- Borrower has a written management agreement with a Property management company allowing Lender cancellation without penalty or prior notice in case of a Borrower default per the Loan Documents; or
- Borrower and Property manager complete the Assignment of Management Agreement ([Form 6405](#)).

Guidance

You should ensure the Property management agreement clearly states the



- Property manager's responsibilities, and
- amount of the management fee (or fee determination methodology).



Glossary

B

Borrower Person who is the obligor per the Note.

Synonyms

- Borrowers
- Borrower's

L

Lender Person Fannie Mae approved to sell or service Mortgage Loans.

Synonyms

- Lenders
- Lender's

Loan Documents All Fannie Mae-approved documents evidencing, securing, or guaranteeing the Mortgage Loan.

Synonyms

- Loan Document
- Mortgage Loan Document
- Mortgage Loan Documents

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