

Asset Management Requirements

MF Selling and Servicing Guide



Part 5

Servicing and Asset Management



Chapter 4

Asset Management: Loan Document Administration



Section 408.03 Completion/Repairs

Section	Section Title	Highlights (see Guide for full details)
408.03A	General	<ul style="list-style-type: none"> • Ensure timely implementation of all repairs. • Close work item in MAMP when repairs complete, where applicable.
408.03B	Extensions for Completion/Repairs	<ul style="list-style-type: none"> • Conditional delegation to extend repair due date if criteria met. • Delegation to determine if Loan Document Amendment is needed. • Submit Non-Monetary Default in MAMP for non-compliance of repair due date.
408.03C	Completion/Repair Loan Document Amendments	<ul style="list-style-type: none"> • Conditional delegation to transfer non-Green repairs from CRA to Replacement Reserve Agreement if criteria met. • Mail executed Loan Document Amendments to Fannie within 15 days.
408.03D	Servicer's Administrative Requirements	<ul style="list-style-type: none"> • Administer CRA in accordance with Loan Agreement and Guide. • Requirements for retaining documentation, holding funds, ensuring timely, satisfactory, and lien-free repair work, processing Borrower requisitions, and promptly addressing defaults.
408.03E	Processing Borrower Requisitions	<ul style="list-style-type: none"> • Requirements for documenting and disbursing Completion Repair Escrow funds.
408.03F	Inspections	<ul style="list-style-type: none"> • Requirements for periodic and final inspection of repairs, including use of third-party vendors.
408.03G	Fees	<ul style="list-style-type: none"> • Completion Repair Escrow funds can cover administrative or inspection fees if permitted in Loan Agreement and with written permission from Borrower.
408.03H	Completion/Repair Defaults	<ul style="list-style-type: none"> • Immediately submit Non-Monetary Default Borrower Request for any CRA/Loan Agreement defaults and halt any release of escrow funds.



Non-Green CRA Status Reporting

Change Status vs. Completion Status

	Change Status	Completion Status
WHAT	Any change to data listed on the CRA document(s)	Percentage of non-Green repairs/improvements that are completed 100% = All repairs/improvements complete
WHERE TO REPORT	MAMP → Borrower Request module	MAMP → CRA module
DELEGATION	Conditional – refer to the <i>CRA Change Status Delegation & Reporting</i> slide in this presentation for details	Yes if Total Repair Amount < \$250,000 No if Total Repair Amount >= \$250,000 Refer to the <i>Completion Status Reporting</i> slide in this presentation for details



CRA Change Status Delegation & Reporting for Non-Green Repairs

	Delegated	Not Delegated	Reporting Requirement
<p>Extensions</p> <p>A change to the Completion Repair Due Date of non-Green repairs or improvements.</p>	<p>When is a Repair Date Extension delegated?</p> <p>For Life Safety (Interim or Final Repair Date)</p> <ul style="list-style-type: none"> • Loan not rated Substandard or Doubtful • One-time extension up to 30 days allowed <p>For Non-Life Safety (Interim or Final Repair Date)</p> <ul style="list-style-type: none"> • Loan not rated Substandard or Doubtful • Up to 1 year past original due date (no Loss Sharing) • Up to 2 years past original due date (Loss Sharing) 	<p>When is a Repair Date Extension not delegated?</p> <p>For Life Safety</p> <ul style="list-style-type: none"> • Loan rated Substandard or Doubtful • Greater than 30-day extension requires Fannie Mae approval <p>For Non-Life Safety</p> <ul style="list-style-type: none"> • Loan rated Substandard or Doubtful • New due date exceeding delegated Extension Terms requires Fannie Mae approval 	<p>When is Reporting in MAMP required?</p> <p>Delegated Extension (Interim or Final Repair Date)</p> <ul style="list-style-type: none"> • None/ reporting in MAMP not required <p>Non-Delegated Extension (Interim or Final Repair Date)</p> <ul style="list-style-type: none"> • Submit request for approval in MAMP/ Borrower Request Module • Master Request Type: Non-Delegated (select Drawer Asset Management, Seniors Asset Management, or Credit Facilities/Bulk Deliveries, where applicable) • Request Type: Escrow Non-Green Completion Repair
<p>Scope Changes</p> <p>The addition, removal, waiver, non-delegated transfer, or change to an existing non-Green Repair Line Item or Repair Amount. Does not apply to Completion Repair Due Date.</p>	<p>When is a Scope Change delegated?</p> <p>Repair Item Transfer to Replacement Reserve Agreement</p> <ul style="list-style-type: none"> • Non-Life Safety repairs up to \$75K or 25% of the original Total Repair Amount can be transferred from the Completion Repair Agreement to the Schedule 5/Replacement Reserve Agreement, along with the associated escrow deposit <p>Source: Refer to Part 5/Chapter 4/ Section 408.03C of the Guide for full requirements</p>	<p>When is a Scope Change not delegated?</p> <p>All other Scope Changes are not delegated</p>	<p>When is Reporting in MAMP required?</p> <p>Delegated Scope Change</p> <ul style="list-style-type: none"> • None/ reporting in MAMP not required <p>Non-Delegated Scope Change</p> <ul style="list-style-type: none"> • Submit request for approval in MAMP/ Borrower Request Module • Master Request Type: Non-Delegated (select Drawer Asset Management, Seniors Asset Management, or Credit Facilities/Bulk Deliveries, where applicable) • Request Type: Escrow Non-Green Completion Repair
<p>Amendments</p> <p>A fully executed Loan Document Modification with wet signature.</p> <p>All hard copy Amendments must be mailed within 15 days</p> <p>Fannie Mae (Multifamily) Certification and Custody 21240 Ridgetop Circle Suite 125-130 Sterling, VA 20166</p>	<p>When is an Amendment required?</p> <p>If Extension is delegated</p> <ul style="list-style-type: none"> • Amendment Agreement is optional and at Servicer's discretion • Extension can be documented in any format Servicer deems legally enforceable, such as an email or letter • If Amendment Agreement is executed, mail hard copy to Fannie Mae within 15 days <p>For Delegated Scope Change/ Transfer to Replacement Reserves</p> <ul style="list-style-type: none"> • Amendments to Loan Agreement/ Schedule 5 and 6 are required • Mail hard copy Amendment Agreement to FM within 15 days 	<p>When is an Amendment required?</p> <p>If Extension is not delegated</p> <ul style="list-style-type: none"> • Same as delegated extension <p>If Scope Change is not delegated</p> <ul style="list-style-type: none"> • Amendment Agreement is required • Fannie Mae approval is required • Mail hard copy Amendment Agreement to Fannie Mae within 15 days 	<p>When is Reporting in MAMP required?</p> <p>Delegated Extension</p> <ul style="list-style-type: none"> • None/ reporting in MAMP not required <p>Non-Delegated Extension and ALL Scope Changes</p> <ul style="list-style-type: none"> • Submit request for approval in MAMP/ Borrower Request Module • Master Request Type: Non-Delegated (select Drawer Asset Management, Seniors Asset Management, or Credit Facilities/Bulk Deliveries, where applicable) • Request Type: Escrow Non-Green Completion Repair



CRA Change Status Take Aways

Change Reporting is tied to delegation level

Delegated Changes = **NO** reporting in MAMP

- Only applies to Extensions and CRA Transfers to RR up to \$75K/25% of UPB

Non-delegated Changes require prior FM approval

- Submit a request for approval in MAMP

Amendments are always **REQUIRED** for Scope Changes

Amendment Agreements must be executed for **ALL Scope Changes**, regardless of delegation level

Amendments are always **OPTIONAL** for Extensions

Executing an Amendment Agreement is at the Servicer's discretion for extensions

However, some form of written documentation is required to be saved in your servicing file

All hard copy Amendments must be mailed to Fannie Mae

If an Amendment Agreement is executed, it must be mailed to Fannie Mae within **15 days** of execution



Completion Status Reporting

Includes temporary COVID-related process changes

Repair Amount	Completion Status Reporting in MAMP/ CRA Module
Total Repair Amount < \$250,000	<p>None / Reporting not required Servicer is delegated to administer CRA without reporting completion status in MAMP*</p> <p><i>*Change Status delegations and reporting still apply</i></p>
Total Repair Amount \$250K - \$5M	<p>Reporting Required</p> <ul style="list-style-type: none"> • Asset Management Workstream • Excludes Credit Facilities and Bulk Deliveries • <u>Interim Repair Status</u> – Reporting not required • <u>Final Repair Status</u> – Report when repairs are 100% complete and agreement closed out
Total Repair Amount > \$5M	<p>Reporting Required</p> <ul style="list-style-type: none"> • Loss Mitigation Workstream • Excludes Credit Facilities and Bulk Deliveries • <u>Interim Repair Status (Sub-Work Item)</u> – Report every 6 months, or sooner if Borrower is uncooperative or non-responsive • <u>Final Repair Status (Primary Work Item)</u> – Report when repairs are 100% complete and agreement closed out

Final Repair Status means:

- All repairs and improvements are 100% complete
- Proof of repair evidence confirmed as satisfactory
- Final escrow disbursements released, where applicable
- Hard copy amendment(s) sent to Fannie Mae, where applicable



CRA Best Practices

Proactively manage your process

1 Communicate Early and Often

- Notify Borrower of CRA obligations with welcome letter.
- Request Borrower Repair Plan with updated due dates if original CRA due dates will not be met.
- Consistently follow-up to obtain repair status – every month or according to the CRA/Borrower Repair Plan.

2 Track

- Proactively manage completion status – know the approximate percentage of completeness.
- Proactively manage due dates – know which repairs are open/closed, aged, and upcoming.
- Thoroughly review repair completion documentation.
- Process disbursements in a timely manner.
- Closely monitor and remediate any instances of default, non-compliance, or uncooperative Borrowers.

3 Change Management

- Know your delegations – what is delegated vs. non-delegated.
- Process extensions, amendments, and scope changes correctly and in a timely manner.

4 Document

- Document your work throughout the process.
- Retain all correspondence (emails, letters, call logs, etc.).
- Retain all proof of completion (photos, receipts, invoices, inspections reports, etc.).
- Retain tracking, follow-up, Schedule 6/8 changes, disbursement, and close-out activities.

5 Close Out

- Confirm in writing when all repairs are certified complete, final disbursement is complete, and property is lien-free.
- Send all hard copy amendments to Fannie Mae.
- Report 100% completion status in MAMP in timely manner.



Common Process Pitfalls to Avoid

1 Poor Repair Tracking and Follow-up

- Weak tracking mechanism or tickler system.
- Inconsistent timing or frequency of communication with Borrower or Property Manager.

2 Documentation Missing or Incomplete

- Letters, emails, or phone logs not stored.
- Proof of repair completion not collected or stored.
- Extension, amendment, and scope change documentation not stored.

3 Poor Delegation Management

- Extension, amendment, and scope changes executed improperly or outside of delegation.

4 Process Not Proactively Managed

- Inconsistent execution of process steps.
- Process not managed to completion.
- Due dates missed without follow-up or reasonable explanation.



Contact Us

Thank you for your interest in partnering with us!

Servicer Relationship Management Mailbox

servicer_relationship_management@fanniemae.com

Borrower Requests and Consents Mailbox

drawer_am@fanniemae.com

Seniors Housing Mailbox

seniors_am@fanniemae.com

Structured Transactions Mailbox

structured_am@fanniemae.com

Special Credits Mailbox

lm_watch@fanniemae.com

Multifamily Asset Management Portal (MAMP)

<https://multifamily.fanniemae.com/applications-technology/multifamily-asset-management-portal>

- General webpage and application link
- MAMP User Guide
- CSV file templates and specifications
- Technology Support Center Contacts

DUS Navigate

<https://mfguide.fanniemae.com/>

- Fannie Mae Selling and Servicing Guide
- Guide Updates and Lender Letters

