B-2-01, Property Insurance Requirements Applicable to All Property Types (08/12/2026)

Introduction
This topic contains the following:

Overview

This topic describes additional requirements only applicable to servicers.

Refer to *Selling Guide* B7-3-01, General Property Insurance Requirements for All Property Types for general property insurance requirements, including

- property insurer rating requirements,
- exceptions to insurer rating requirements, and
- other exceptions to property insurance requirements.

Refer to *Selling Guide* B7-3-07, Evidence of Property Insurance for information on evidence of property insurance.

Also, see *Acceptable Evidence of Master Insurance Policies* in B-2-03, Master Property Insurance Requirements for Project Developments.

Servicer Responsibilities Related to Property Insurance for First Lien Mortgage Loans

The servicer must have policies and procedures in place to ensure that required property insurance is continuously maintained on the subject property. The following table lists the servicer's responsibilities applicable to all first lien mortgage loans owned or securitized by Fannie Mae unless otherwise noted.

✓	**The servicer must...**
	Confirm that the property insurance policy meets Fannie Mae's requirements for the applicable property type as described in B-2-02, Property Insurance Requirements for One- to Four-Unit Properties, B-2-03, Master Property Insurance Requirements for Project Developments and B-2-04, Property Insurance Requirements for Individual Units in a Project Development.

✓	**The servicer must...**
	Ensure requirements contained in any negotiated contract are met.
	Ensure property insurance premiums are paid. See B-1-01, Administering an Escrow Account and Paying Expenses for additional information.
	Obtain lender-placed insurance in response to notification that coverage is being cancelled, non-renewed, or has lapsed, in accordance with B-6-01, Lender-Placed Insurance Requirements.
	Contact its Fannie Mae Servicing Representative (see F-4-02, List of Contacts) to determine if additional coverage is needed as described in *Selling Guide,* B7-3-05, Additional Insurance Requirements.
	Change the insurance coverage for a mortgage loan when it is inadequate to protect Fannie Mae's interests or, in the instance of lender-placed insurance, causes Fannie Mae to be over-insured. Examples include properties that become vacant and home renovation loans. See *Selling Guide,* B7-3-05, Additional Insurance Requirements for additional information.
	At least annually, provide a reminder to the borrower of their responsibility to maintain insurance on the property and recommend they contact their insurance provider to review their coverage. The servicer is authorized to include such reminder in or with another borrower communication and may refer the borrower to applicable borrower-facing insurance information on Fannie Mae's or the servicer's website. Additionally, the servicer is authorized to use any outreach method permitted by applicable law.

Servicer Responsibilities Related to Property Insurance for Second Lien Mortgage Loans

The following table lists the servicer's responsibilities applicable to all second lien mortgage loans owned or securitized by Fannie Mae.

✓	**The servicer must...**
	Obtain and review a copy of the property insurance policy annually to determine if the insurance coverage meets Fannie Mae's requirements.

✓	The servicer must...
	Require the borrower to obtain appropriate endorsements that will bring the coverage in line with Fannie Mae's requirements if the existing property insurance policy does not comply with Fannie Mae's requirements and send a copy of these endorsements to the servicer of the first-lien mortgage loan.
	Ensure property insurance premiums are paid, see B-1-01, Administering an Escrow Account and Paying Expenses for additional information.
	Obtain lender-placed insurance in response to notification that coverage is being cancelled, non-renewed, or has lapsed, in accordance with B-6-01, Lender-Placed Insurance Requirements.

Recent Related Announcements

The table below provides references to recently issued Announcements that are related to this topic.

Announcements	Issue Date
Announcement SVC-2026-05	August 12, 2026
Announcement SVC-2024-01	February 14, 2024
Announcement SVC-2022-08	December 21, 2022
Announcement SVC-2021-09	December 8, 2021
Announcement SVC-2020-07	December 9, 2020

B-2-02, Property Insurance Requirements for One- to Four-Unit Properties (08/12/2026)

Introduction

This topic contains the following:

- Overview
- Minimum Monitoring Requirements for First Lien Mortgage Loans
- Minimum Monitoring Requirements for Second Lien Mortgage Loans

- Mortgagee Clause Requirements for Second Lien Mortgage Loans

Overview

This topic describes additional requirements only applicable to servicers. Refer to *Selling Guide,* B7-3-02, Property Insurance Requirements for One- to Four-Unit Properties for property insurance requirements for mortgage loans secured by a one- to four-unit property, including

- required perils,
- coverage sufficiency, and
- maximum deductible.

Refer to *Selling Guide,* B7-3-08, Mortgagee Clause, Named Insured, and Notice of Cancellation Requirements for the applicable requirements for mortgage loans secured by a one- to four-unit property.

Minimum Monitoring Requirements for First Lien Mortgage Loans

While the servicer remains obligated in accordance with *Selling Guide* A2-1-03, Indemnification for Losses, the following describes Fannie Mae's minimum requirements for monitoring property insurance policies depending on whether the policy obtained is a new or renewal policy.

New or Renewal Policy	**Minimum Requirements**
New Policy	The servicer must confirm that the property insurance policy meets the requirements for • insurer rating, as described in *Selling Guide* B7-3-01, General Property Insurance Requirements for All Property Types; and • required perils, coverage sufficiency, and maximum deductible, as described in *Selling Guide* B7-3-02, Property Insurance Requirements for One-to Four-Unit Properties.

<table>
<tr><th>New or Renewal Policy</th><th>Minimum Requirements</th></tr>
<tr><td>Renewal Policy</td><td>At least annually, the servicer must confirm that the property insurance policy meets the requirements for
• insurer rating, as described in Selling Guide B7-3-01, General Property Insurance Requirements for All Property Types; and
• required perils, coverage sufficiency, and maximum deductible, as described in Selling Guide B7-3-02, Property Insurance Requirements for One-to Four-Unit Properties.If, based on the initial evidence of insurance provided, the servicer is unable to confirm whether the policy meets the replacement cost coverage requirements in Coverage Sufficiency in Selling Guide B7-3-02, Property Insurance Requirements for One-to Four-Unit Properties, the servicer is authorized to determine whether the policy coverage amount in the policy under review has decreased from the last known coverage amount and take the action described in the following table.
<table>
<tr><th>If the policy coverage amount...</th><th>Then...</th></tr>
<tr><td>has decreased from the last known coverage amount or the servicer cannot determine the last known amount</td><td>the servicer must take additional steps it deems appropriate to confirm that the property insurance policy meets the replacement cost coverage requirements in Coverage Sufficiency in Selling Guide, B7-3-02, Property Insurance Requirements for One-to Four-Unit Properties and document its efforts in the individual mortgage loan file.</td></tr>
<tr><td>has not decreased from the last known coverage amount</td><td>any additional action the servicer takes to confirm that the property insurance policy meets the replacement cost coverage requirements in Coverage Sufficiency in Selling Guide, B7-3-02, Property Insurance Requirements for One-to Four-Unit Properties is at its discretion.</td></tr>
</table>
</td></tr>
</table>

Upon identifying that a property insurance policy does not comply with one or more of the above requirements, the servicer must notify the borrower of the insufficiency.

The servicer must have procedures that describe the methods used to adhere to the minimum monitoring requirements. If the servicer relies on a process to monitor for instances when a policy's coverage amount decreases, the procedures must describe the methods used to monitor for coverage decreases and the subsequent steps to confirm evidence of coverage that meets our requirements. Additionally, the servicer's procedures must describe the steps, as applicable, used to attempt to resolve a non-compliant property insurance policy, which may include lender-placed insurance.

Minimum Monitoring Requirements for Second Lien Mortgage Loans

The servicer must have procedures in place to monitor and confirm sufficient property insurance coverage is in place for second lien mortgage loans.

Mortgagee Clause Requirements for Second Lien Mortgage Loans

For a second lien mortgage loan, the mortgagee clause in the property insurance policy for the first lien mortgage loan must be amended to recognize the second lien mortgage loan and to clearly set out Fannie Mae's interest in the policy coverage.

Recent Related Announcements

The table below provides references to recently issued Announcements that are related to this topic.

Announcements	Issue Date
Announcement SVC-2026-05	August 12, 2026
Announcement SVC-2022-08	December 21, 2022
Announcement SVC-2021-09	December 8, 2021

B-2-03, Master Property Insurance Requirements for Project Developments (02/14/2024)

Introduction
This topic contains the following:

- Overview
- Acceptable Evidence of Master Property Insurance Policies

Overview

This topic describes additional requirements only applicable to servicers. Refer to *Selling Guide* B7-3-03, Master Property Insurance Requirements for Project Developments for property insurance requirements for project developments, including

- determining if a master property insurance policy is required,
- required perils,
- coverage sufficiency,
- maximum deductible,
- special coverage requirements for project developments,
- special coverage requirements for condo projects,
- builder/developer property insurance policies, and
- policies covering multiple projects.

Acceptable Evidence of Master Property Insurance Policies

The servicer must ensure on an annual basis that the master insurance coverage maintained for a PUD, condo, or co-op project meets the requirements outlined in this *Servicing Guide*.

Refer to *Selling Guide* B7-3-07, Evidence of Property Insurance for acceptable evidence of master insurance policies. Acceptable evidence of master insurance coverage for a unit in a PUD, condo, or co-op project includes either:

- a copy of the current master policy and any endorsements, and a certificate of insurance showing the individual unit securing the mortgage loan is covered under the policy;
- a blanket insurance policy which covers every project in which the servicer services Fannie Mae mortgage loans, with premiums borne by the servicer as a corporate expense; or
- an insurance policy maintained by the servicer which provides ”walls-in” coverage as well as loss assessment coverage as needed in the event of an uninsured loss for all Fannie Mae PUD, condo, or co-op mortgage loans serviced by the servicer.

In accordance with *Selling Guide* A2-1-03, Indemnification for Losses, the servicer must indemnify Fannie Mae in the event that the servicer's use of an insurance product does not provide sufficient coverage. In no event shall a servicer's obligation to Fannie Mae thereunder be limited to the amount of coverage in force under an insurance product that it has selected or obtained.

Recent Related Announcements

The table below provides references to recently issued Announcements that are related to this topic.

Announcements	Issue Date
Announcement SVC-2024-01	February 14, 2024
Announcement SVC-2022-08	December 21, 2022

Announcements	Issue Date
Announcement SVC-2021-09	December 8, 2021

B-2-04, Property Insurance Requirements for Individual Units in a Project Development (12/21/2022)

Refer to *Selling Guide* B7-3-04, Property Insurance Requirements for Individual Units in a Project Development for property insurance requirements for mortgage loans secured by a unit in a project development, including

- determining if a unit owners property insurance policy is required,
- required perils,
- coverage sufficiency,
- maximum deductible, and
- additional requirements.

Refer to *Selling Guide* B7-3-08, Mortgagee Clause, Named Insured, and Notice of Cancellation Requirements for the applicable requirements for mortgage loans secured by a unit in a project development.

Recent Related Announcements

The table below provides references to recently issued Announcements that are related to this topic.

Announcements	Issue Date
Announcement SVC-2022-08	December 21, 2022

Chapter B-3, Flood Insurance Requirements

Introduction

This chapter describes requirements for flood insurance.