



Fannie Mae®

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# Multifamily Selling and Servicing Guide

Effective as of December 1, 2025

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### 204.03 Verifying Issuer Ratings

#### Requirements

You must monitor and verify the rating of any financial institution issuing or confirming a Letter of Credit

- throughout the term of the Letter of Credit,
- on each anniversary of the date of issuance, and
- on the date of any renewal, replacement, or amendment.

If the ratings of the financial institution issuing or confirming the Letter of Credit fall below the ratings criteria you must

- contact Multifamily Business Operations promptly, and
- use a financial institution that satisfies the ratings criteria to replace or confirm the Letter of Credit.

A change from “stable” or “positive outlook” to “negative outlook” or “on watch for downgrade” would represent a fall below the ratings criteria.



# Glossary

## L

Letter of Credit

Letter of Credit approved by Fannie Mae per [Part I, Chapter 2: Mortgage Loan, Section 204: Letters of Credit](#).

### Synonyms

- Letters of Credit
- Letter of Credit's
- LOC
- LOCs

## M

Multifamily Business  
Operations

Team that can be contacted at  
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