



Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of February 2, 2026

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204.04 Restrictions on Issuer Collateral

☒ Requirements

You must ensure that the Issuer does not collateralize the Letter of Credit with a lien on

- the Property, or
- any personal property that secures the Mortgage Loan.



Glossary

I

Issuer	<p>Entity that:</p> <ul style="list-style-type: none">• issues Bonds for a Credit Enhancement Mortgage Loan;• packages mortgages for sale as a Security for an MBS; or• issues a Letter of Credit. <p>Synonyms</p> <ul style="list-style-type: none">• Issuers
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L

Letter of Credit	<p>Letter of Credit approved by Fannie Mae per Part I, Chapter 2: Mortgage Loan, Section 204: Letters of Credit.</p> <p>Synonyms</p> <ul style="list-style-type: none">• Letters of Credit• Letter of Credit's• LOC• LOCs
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M

Mortgage Loan	<p>Mortgage debt obligation evidenced, or when made will be evidenced, by</p> <ul style="list-style-type: none">• the Loan Documents, or• a mortgage debt obligation with a Fannie Mae credit enhancement. <p>Synonyms</p> <ul style="list-style-type: none">• Mortgage Loans• Mortgage Loan's
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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