



Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of August 29, 2025

No portion of this Multifamily Selling and Servicing Guide may be reproduced in any form or by any means without Fannie Mae's prior written permission, except as may be provided herein or unless otherwise permitted by law. Limited permission to reproduce this Multifamily Selling and Servicing Guide in print, in whole or in part, and limited permission to distribute electronically parts of this Multifamily Selling and Servicing Guide, are granted to Fannie Mae-approved Lenders strictly for their own use in originating and selling multifamily Mortgage Loans to, and servicing multifamily Mortgage Loans for, Fannie Mae. Fannie Mae may revoke this limited permission by sending 60 days advance written notice to any or all Fannie Mae-approved Lenders.



TABLE OF CONTENTS

Part I Section 204.04 Restrictions on Issuer Collateral 3

GLOSSARY 4



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 |
|--------|---|

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 |
|------------------|---|

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 |
|---------------|---|

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