



Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of December 13, 2024

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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 | Entity that: <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 <ul style="list-style-type: none">• issues a Letter of Credit. <p>Synonyms</p> <ul style="list-style-type: none">• Issuers |
|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

L

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

M

| | |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mortgage Loan | Mortgage debt obligation evidenced, or when made will be evidenced, by <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