



# Multifamily Selling and Servicing Guide

Effective as of November 25, 2019

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## **204.05** Drawing on Letter of Credit

### Operating Procedures

You may, with Fannie Mae's written approval, instruct the issuing bank to honor a draw on the Letter of Credit by depositing the proceeds into an account designated by Fannie Mae.



# 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
- LOC
- LOCs