



# Multifamily Selling and Servicing Guide

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## **TABLE OF CONTENTS**

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Part IV B Section 308.01C Collateral Substitution - Substitute Collateral into an Existing Structured Transaction .....	3
GLOSSARY .....	4



### **308.01C** Collateral Substitution - Substitute Collateral into an Existing Structured Transaction

A substitution is a combination of a collateral release and a collateral addition. The request for substitution of a Property must be submitted to both the Fannie Mae Deal Team and the Multifamily Structured Asset Management Team as set forth in [Part V, Chapter 4: Asset Management: Loan Document Administration, Section 416: Credit Facilities and Bulk Deliveries](#). Fannie Mae will determine whether the conditions to the substitution as set forth in the Structured Transaction Loan Documents have been satisfied. If approved, the Lender must follow the process for delivering the collateral data described in [Part IV B, Chapter 3: Structured Transactions, Section 308.01A: Collateral Addition - Add New Collateral to an Existing Structured Transaction](#) for collateral additions and the provisions of [Part IV B, Chapter 3: Structured Transactions, Section 308.01B: Collateral Release - Request a Release of Collateral from an Existing Structured Transaction](#) for the release of existing collateral within MSFMS. In some cases (if provided for in the Structured Transaction Loan Documents), a delayed substitution will be permitted by Fannie Mae whereby, upon the release of collateral, the Lender must post cash, a Letter of Credit or other permitted replacement collateral as set forth in the Structured Transaction Loan Documents until acceptable new collateral is substituted. In any event, the new collateral must be added within 90 days or some other agreed upon timeframe as set forth in the Structured Transaction Approval or the Structured Transaction Loan Documents. A substitution fee (or an addition fee and release fee) may be due in accordance with the Structured Transaction Loan Documents, the Structured Transaction Approval, and/or the MATS Addendum.



# Glossary

## C

**Collateral** Property, Personal Property, or other property securing a Mortgage Loan.

## F

**Fannie Mae Deal Team** Team responsible for reviewing Pre-Review Mortgage Loans, waivers, etc.

**Synonyms**

- Deal Team

## L

**Lender** Person approved by Fannie Mae to sell or service Mortgage Loans.

**Synonyms**

- Lenders
- Lender's

**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

## M

**MATS Addendum** Addendum to the Mortgage Selling and Servicing Contract executed by Lender for a Structured Transaction.



**MSFMS** Multifamily Structured Facilities Management System performing collateral delivery and securitization functions for Structured Transactions.

**Multifamily Structured Asset Management** Team that can be contacted at [structured\\_am@fanniemae.com](mailto:structured_am@fanniemae.com).

## **P**

**Property** Multifamily residential property securing the Mortgage Loan and including the land (or Leasehold interest in land), Improvements, and personal property (as defined in the Uniform Commercial Code).

### **Synonyms**

- Properties
- Property's

## **S**

**Structured Transaction Approval** Approval issued by Fannie Mae with respect to a Structured Transaction, as defined in [Part IV B, Chapter 3: Structured Transactions, Section 301.02: Structured Transaction Approval](#).

**Structured Transaction Loan Documents** Documentation executed in connection with a Structured Transaction, including a Master Credit Facility or Bulk Delivery Agreement, an Interest Rate Hedge Agreement, and all other Loan Documents required by Fannie Mae.