



Fannie Mae®

Multifamily Selling and Servicing Guide

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103.04 Replacement Letter of Credit

Operating Procedures

You must ensure any replacement Letter of Credit has an expiration date at least 30 days after the applicable Achievement Agreement or other Collateral Agreement expiration date.



Glossary

A

Achievement
Agreement

Agreement requiring the Borrower to provide a letter of credit, cash, or guaranty as additional collateral to support the Mortgage Loan amount and specifying the terms for releasing the collateral.

Synonyms

- Achievement Agreements

C

Collateral Agreement

Agreement granting a security interest in Mortgage Loan collateral not covered by the Security Instrument.

Synonyms

- Collateral Agreements

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
- Letter of Credit's
- LOC
- LOCs