



Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of April 3, 2026

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 V Section 103.05 Verifying Issuer Ratings	3
103.05A Monitoring	3
103.05B Rating Noncompliance	3
GLOSSARY	5



103.05 Verifying Issuer Ratings

103.05A Monitoring

Operating Procedures

While each Letter of Credit is outstanding, you must:

- comply with [Part I, Chapter 2: Mortgage Loan, Section 204.03: Verifying Issuer Ratings](#); and
- document each rating verification in your Servicing File.

103.05B Rating Noncompliance

Operating Procedures

If the rating of the financial institution issuing or confirming the Letter of Credit does not comply with...	You must...
Part I, Chapter 2: Mortgage Loan, Section 204.02: Issuers and Ratings	Promptly notify Multifamily Business Operations even if the Achievement Agreement or other Collateral Agreement <ul style="list-style-type: none">• provides different acceptable issuer rating criteria, or• does not authorize Fannie Mae to act if the rating falls.



If the rating of the financial institution issuing or confirming the Letter of Credit does not comply with...	You must...
Rating criterial in the Achievement Agreement or other Collateral Agreement	<ul style="list-style-type: none">• Promptly notify Multifamily Business Operations.• Require the Borrower to provide a replacement or confirming Letter of Credit from an acceptably rated institution by the:<ul style="list-style-type: none">- replacement deadline per the Achievement Agreement or Collateral Agreement; or- earlier of<ul style="list-style-type: none">▪ 30 days after notifying the Borrower,or<ul style="list-style-type: none">▪ 5 Business Days before the Letter of Credit expires.



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

B

Borrower Person who is the obligor per the Note.

Synonyms

- Borrowers
- Borrower's

C

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

Synonyms

- Collateral Agreements

I

Issuer Entity that:

- issues Bonds for a Credit Enhancement Mortgage Loan;
- packages mortgages for sale as a Security for an MBS;

or

- issues a Letter of Credit.

Synonyms

- Issuers

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

M

Mortgage Loan

Mortgage debt obligation evidenced, or when made will be evidenced, by

- the Loan Documents, or
- a mortgage debt obligation with a Fannie Mae credit enhancement.

Synonyms

- Mortgage Loans
- Mortgage Loan's

Multifamily Business Operations

Team that can be contacted at multifamily_bizops@fanniemae.com.

S

Servicing File

Your file for each Mortgage Loan serviced.

Synonyms

- Servicing Files