

Multifamily Selling and Servicing Guide

Effective as of December 1, 2025

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Effective: 12/01/2025



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 • provides different acceptable issuer rating criteria, or • does not authorize Fannie Mae to act if the rating falls. |
| Rating criterial in the Achievement Agreement or other Collateral Agreement | Promptly notify Multifamily Business Operations. Require the Borrower to provide a replacement or confirming Letter of Credit from an acceptably rated institution by the: replacement deadline per the Achievement Agreement or Collateral Agreement; or earlier of 30 days after notifying the Borrower, or 5 Business Days before the Letter of Credit expires. |

Effective: 12/01/2025



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

L

Letter of Credit

Letter of Credit approved by Fannie Mae per Part I, Chapter 2: Mortgage Loan, Section 204: Letters of Credit.

Effective: 12/01/2025

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.

Effective: 12/01/2025

Synonyms

- Mortgage Loans
- Mortgage Loan's

Multifamily Business Operations Team that can be contacted at multifamily_bizops@fanniemae.com.