



Fannie Mae®

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# Multifamily Selling and Servicing Guide

Effective as of June 25, 2026

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## **103.06** Managing Draws and Releases

### **103.06A** Letter of Credit Draws

#### Requirements

You must promptly notify Multifamily Asset Management and Multifamily Business Operations if a Letter of Credit draw is appropriate.

### **103.06B** Releasing/Reducing Letters of Credit or Other Collateral

#### Operating Procedures

Unless a Mortgage Loan is being fully repaid, you must:

- assess each Borrower request to fully release or partially reduce a Letter of Credit or other collateral;
- submit your recommendation to Multifamily Asset Management; and
- notify the Borrower when each request is approved or denied.



# Glossary

## B

**Borrower** Person who is the obligor per the Note.

**Synonyms**

- Borrowers
- Borrower's

## C

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

## G

**Guide** Multifamily Selling and Servicing Guide controlling all Lender and Servicer requirements unless a Lender Contract specifies otherwise.

**Synonyms**

- DUS Guide

## 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 Asset Management

Team that can be contacted at [drawer\\_am@fanniemae.com](mailto:drawer_am@fanniemae.com).

## Multifamily Business Operations

Team that can be contacted at [multifamily\\_bizops@fanniemae.com](mailto:multifamily_bizops@fanniemae.com).