Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of November 16, 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.
Multifamily Business Operations	Team that can be contacted at multifamily_bizops@fanniemae.com.