

# Multifamily Selling and Servicing Guide

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#### 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;

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- 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

#### 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.

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#### **Synonyms**

- Mortgage Loans
- Mortgage Loan's

Multifamily Asset Management Team that can be contacted at drawer\_am@fanniemae.com.