



Multifamily Selling and Servicing Guide

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704.02 Loan Term

Requirements

A fully amortizing subordinate loan may mature at any time regardless of the:

- Maturity Date of the Mortgage Loan or any Pre-Existing Mortgage Loans; or
- expiration date of the Fannie Mae Credit Enhancement Instrument.

You must ensure that any subordinate loan that does not fully amortize, including any Soft Financing, does not mature before 90 days after the earlier of the:

- final Maturity Date of the Mortgage Loan or any Pre-Existing Mortgage Loans; or
- expiration date of the Fannie Mae Credit Enhancement Instrument for the Mortgage Loan or any Pre-Existing Mortgage Loans.



Glossary

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Credit Enhancement Instrument

Agreement between Fannie Mae and a Bond Trustee where Fannie Mae provides credit enhancement of a Credit Enhancement Mortgage Loan, Bonds issued to finance a Credit Enhancement Mortgage Loan, or an Interest Rate Hedge Agreement; and if applicable, a Bond liquidity facility.

Synonyms

- Credit Enhancement Instruments

M

Maturity Date

Date all amounts due and owing under the Mortgage Loan become fully due and payable per the Loan Documents.

Synonyms

- Maturity Dates

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