



Multifamily Selling and Servicing Guide

Effective as of August 1, 2019

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106.04 Verification of Issuer Rating

While the Letter of Credit is outstanding, the Servicer must monitor the rating of the Letter of Credit issuer as required in [Part I, Chapter 2: Mortgage Loan, Section 204.03: Verifying Issuer Ratings](#), and notify Multifamily Business Operations whenever the issuer ceases to meet the required rating, regardless of whether the Achievement Agreement or other Collateral Agreement provides issuer rating acceptability or gives Fannie Mae the right to take any action in the event of a rating drop.



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

C

Collateral Agreement

Agreement under which collateral (other than the Property) may be pledged, transferred, or otherwise provided to secure the Borrower's obligations under a Mortgage Loan.

Synonyms

- Collateral Agreements

I

Issuer

Entity that:

- issues Bonds for a Credit Enhancement Mortgage Loan;
 - packages mortgages for sale as a Security for an MBS;
- or
- issues a Letter of Credit.

Synonyms

- Issuers

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
- 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

Multifamily Business Operations

Team that can be contacted at multifamily_bizops@fanniemae.com.

S

Servicer

Primary Person responsible for servicing the Mortgage Loan (e.g., the originator, the selling Lender, or a third-party servicer).

Synonyms

- Servicers