



Multifamily Selling and Servicing Guide

Effective as of August 1, 2019

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106.09 Release/Reduction of Letter of Credit or Other Collateral

Unless requested in connection with the Mortgage Loan being repaid in full, the Servicer is responsible for:

- assessing any Borrower request for a full release or partial reduction of the Letter of Credit or other collateral held by Fannie Mae or the Servicer in accordance with the terms and conditions of the applicable Achievement Agreement or other Collateral Agreement;
- sending a recommended course of action to Multifamily Asset Management; and
- providing written notification to the Borrower of the approval or denial of each request.



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

B

Borrower Person who is the obligor under the Note.

Synonyms

- Borrowers
- Borrower's

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

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 Asset Management

Team that can be contacted at drawer_am@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