



Multifamily Selling and Servicing Guide

Effective as of November 25, 2019

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Chapter 17 Structured Transactions

Section 1701 Description

Requirements

Structured Transactions consist of 1 or more Mortgage Loans governed by a master agreement, regardless of individual loan size or cross-collateralization.

There are 2 types of Structured Transactions: Credit Facilities and Bulk Deliveries. The terms for each Structured Transaction vary, and are negotiated based on the specific Properties and Sponsor needs.

Section 1702 Credit Facilities

Requirements

A Credit Facility is a Structured Transaction that

- is governed by a Master Credit Facility Agreement, and
- includes cross-collateralized and cross-defaulted Mortgage Loans and Properties.

The minimum Credit Facility transaction amount is \$100 million.

Guidance

A Credit Facility may also include:

- variable rate debt, fixed rate debt, or a combination of both;
- varied loan maturities and repayment terms;
- the ability to increase borrowing based on
 - increases in the aggregate DSCR, and
 - decreases in the aggregate LTV of the Properties;
- the ability to increase the amount of the Credit Facility by delivering additional Properties as collateral; or
- collateral substitutions and releases.

Operating Procedures

Credit Facilities require intensive Fannie Mae involvement, including the



assignment of an in-house legal lead who will direct outside counsel services.

Fannie Mae will engage outside counsel at your expense to prepare all related documentation.

You may require the Borrower to

- pay these legal fees and expenses, and
- fund a deposit for their payment.

Section 1703

Bulk Deliveries

Requirements

A Bulk Delivery is a Structured Transaction that:

- is governed by a Bulk Delivery Agreement; and
- includes the ability to
 - add Mortgage Loans in the future, or
 - substitute a new Property for an existing Property as collateral.

Operating Procedures

Fannie Mae will engage outside counsel at your expense to prepare the Bulk Delivery Agreement.

You may require the Borrower to

- pay these legal fees, and
- fund a deposit for their payment.



Glossary

B

Borrower Person who is the obligor under the Note.

Synonyms

- Borrowers
- Borrower's

Bulk Delivery Structured Transaction that:

- is governed by a Bulk Delivery Agreement; and
- includes the ability to
 - add Mortgage Loans in the future, or
 - substitute a new Property for an existing Property as collateral.

Synonyms

- Bulk Deliveries

C

Credit Facility Structured Transaction that

- is governed by a Master Credit Facility Agreement, and
- includes cross-collateralized and cross-defaulted Mortgage Loans and Properties.

Synonyms

- Credit Facilities

M

Master Credit Facility Agreement Agreement evidencing the terms and conditions of a Credit Facility.

P



Property

Multifamily residential property securing the Mortgage Loan and including the land (or Leasehold interest in land), Improvements, and personal property (as defined in the Uniform Commercial Code).

Synonyms

- Properties
- Property's

S

Sponsor

Principal equity owner and/or the primary decision maker of the Borrower (often the Key Principal or the Person Controlling the Key Principal).