Multifamily Selling and Servicing Guide

Effective as of November 25, 2019

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103.01 Generally

☑ Requirements

If the Property has a Ground Lease, the Mortgage Loan collateral must include a Lien on the Leasehold estate.

You must ensure that the Ground Lease complies with the Ground Lease Review Checklist (Form 6479), unless

- the ground lessor joins with the Borrower in executing the Security Instrument and grants a Lien on the ground lessor's fee estate, or
- the absence of the Leasehold estate would not have a material adverse effect on the operation or value of the Property.
**Glossary**

**B**

**Borrower**  
Person who is the obligor under the Note.

**Synonyms**  
• Borrowers  
• Borrower's

**G**

**Ground Lease**  
Contract for the rental of land, usually on a long term basis.

**L**

**Leasehold**  
Property held under a long-term lease or Ground Lease.

**Lien**  
Lien, mortgage, bond interest, pledge, security interest, charge, or encumbrance of any kind.

**Synonyms**  
• Liens

**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
<table>
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<tr>
<th>Property</th>
<th>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).</th>
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<tr>
<td>Synonyms</td>
<td>• Properties • Property's</td>
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| Security Instrument | Instrument creating a lien or encumbrance on 1 or more Properties and securing the obligations under the Loan Documents. |