



Fannie Mae®

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# Multifamily Selling and Servicing Guide

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## 109.01C Lease Modifications

### Requirements

As you review each Material Commercial Lease modification, you must consider if it:

- violates any of the requirements of this Section;
- contains terms that are inconsistent with the Mortgage Loan; or
- presents risks that are inappropriate for the Mortgage Loan.

If any of these conditions are present you must:

- require the Borrower to modify the Material Commercial Lease appropriately; or
- address the items in the Tenant Estoppel Certificate ([Form 6413](#)) and/or the Subordination, Non-Disturbance, and Attornment Agreement ([Form 6415](#)).



## Glossary

### B

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

#### **Synonyms**

- Borrowers
- Borrower's

### M

**Material Commercial Lease** Lease, sublease, license, concession, grant, or other possessory interest

- for commercial purposes comprising 5% or more of the Property's annual EGI, or
- relating to:
  - solar power, thermal power generation, or co-power generation, or the installation of solar panels or any other electrical power generation equipment, and any related power purchase agreement; or
  - any Property dwelling units leased to
    - a Borrower Affiliate,
    - any Key Principal, or
    - any Principal.

#### **Synonyms**

- Material Commercial Leases

**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
- Mortgage Loan's