Multifamily Selling and Servicing Guide

Effective as of October 21, 2019

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Lease Modifications

Requirements

As you review each Material Commercial Lease modification, you must consider the following questions:

- Does it violate any of the requirements of this Section?
- Does it contain terms that are inconsistent with the Mortgage Loan?
- Does it present risks that are inappropriate for the Mortgage Loan?

If the answer to any of these questions is “yes”, then 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 under the Note.

Synonyms
• Borrowers
• Borrower's

M

Material Commercial Lease  
Lease, sublease, license, concession, grant, or other possessory interest for commercial purposes that comprises 5% or more of the Property's annual EGI, or relates to:
• solar power, thermal power generation, or co-power generation, or for 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 an Affiliate of the Borrower, 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