Fannie Mae®

Multifamily Selling and Servicing Guide

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416.02A Decisions and Actions Not Delegated

Decisions and actions that are not delegated to the Servicer for Mortgage Loans generally per Part V, Chapter 4: Asset Management: Loan Document Administration, Section 402.01: Delegation of Decision-Making Authority, are also not delegated to the Servicer for Mortgage Loans in a Credit Facility or Bulk Delivery. Additionally, decisions and actions are not delegated to the Servicer if the request involves:

- amendments or changes to the Master Credit Facility Agreement, Bulk Delivery Agreement, or equivalent agreement, except for the Fannie Mae standard form Amendment for:
  - Completion/Repair extensions; and
  - changes to the monthly Replacement Reserve deposits;
- a Bulk Delivery substitution; or
- a Credit Facility:
  - collateral release or substitution;
  - future advance and conversion;
  - revaluation and determination of the Allocable Facility Amount;
  - Interest Rate Hedge renewal or modification;
  - Defeasance;
  - payoff/termination;
  - Ground Lease or operating lease modification;
  - Transfer/Assumption;
  - Property manager or operator change;
  - re-underwriting assessment; or
  - Springing Debt Service Reserve.

Glossary

A

Allocable Facility Amount	For a Credit Facility, the amount of debt allocated to a given Property, used in calculating tests for collateral activity such as releases, substitutions, and additions. **Synonyms** • Allocable Facility Amounts

B

Bulk Delivery	Structured Transaction governed by a Bulk Delivery Agreement that allows future: • Mortgage Loan additions; and/or • Property substitutions. **Synonyms** • Bulk Deliveries

C

Collateral	Property, Personal Property, or other property securing a Mortgage Loan.

Completion/Repairs	Repairs or capital item replacements and deferred maintenance:
	• identified per the Property Condition Assessment; and
	• required per the
	  - Completion/Repair Schedule, or
	  - Completion/Repair Agreement.
	
	Synonyms
	• Completion/Repair

Credit Facility	Structured Transaction governed by a Master Credit Facility Agreement requiring Mortgage Loans and Properties to be • cross-defaulted, and • cross-collateralized. **Synonyms** • Credit Facilities • Credit Facility's

D

Debt Service Reserve Account	Springing Debt Service Reserve per the Master Credit Facility Agreement that a Borrower may be required to fund in the event of a Springing Trigger. **Synonyms** • Springing Debt Service Reserves • Springing Debt Service Reserve
Defeasance	Transaction where a Property is released from the lien of the Security Instrument and the Lender receives a valid and perfected lien and security interest in substitute collateral acceptable to Fannie Mae and the cash flows thereunder.
Delivery	Submission of all correct, accurate, and certifiable documents, data, and information with all applicable documents properly completed, executed, and recorded as needed, and any deficiencies resolved to Fannie Maes satisfaction. **Synonyms** • Deliver • Delivered • Deliveries

G

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

I

Interest Rate Cap	Interest rate agreement between the Borrower and a provider for which the Borrower receives payments at the end of each period when the interest rate exceeds the Cap Strike Rate. The Interest Rate Cap provides a ceiling (or cap) on the Borrower's Mortgage Loan interest payments. **Synonyms** • Interest Rate Caps • Interest Rate Hedge • Interest Rate Hedges • Interest Rate Swap • Interest Rate Cap's

L

Lease	Written agreement between an owner and the tenant of a Property stipulating the conditions for possession and use of real estate for a specified period of time and rent. **Synonyms** • Leases
Loan Documents	All Fannie Mae-approved documents evidencing, securing, or guaranteeing the Mortgage Loan. **Synonyms** • Loan Document • Mortgage Loan Document • Mortgage Loan Documents

M

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

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

P

Property	Multifamily residential real estate securing the Mortgage Loan, including the • fee simple or Leasehold interest, • Improvements, and • personal property (per the Uniform Commercial Code). **Synonyms** • Properties • Property's

R

Replacement Reserve	Custodial Account the Borrower funds during the Mortgage Loan term for Replacements. **Synonyms** • Replacement Reserves
Replacements	Capital item replacements and major maintenance needs identified by the Property Condition Assessment or otherwise required. **Synonyms** • Replacement

S

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Servicer	Primary Person servicing the Mortgage Loan, including • the originator, • seller, or • a third party. **Synonyms** • Servicers • Servicer's

T

Transfer/Assumption	Transaction changing the ownership of the Borrower or Property. **Synonyms** • Transfers/Assumptions