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

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| 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.<br><br>**Synonyms**<br>• Allocable Facility Amounts |

## B

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

## C

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|---|---|
| Collateral | Property, Personal Property, or other property securing a Mortgage Loan. |
| Completion/Repairs | Repairs or capital item replacements and deferred maintenance:<br>• identified per the Property Condition Assessment; and<br>• required per the<br>  - Completion/Repair Schedule, or<br>  - Completion/Repair Agreement.<br><br>**Synonyms**<br>• Completion/Repair |

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

# D

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| 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.<br><br>**Synonyms**<br>• Springing Debt Service Reserves<br>• 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 Mae's satisfaction.<br><br>**Synonyms**<br>• Deliver<br>• Delivered<br>• Deliveries |

# G

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

## I

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|---|---|
| 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.<br><br>**Synonyms**<br>• Interest Rate Caps<br>• Interest Rate Hedge<br>• Interest Rate Hedges<br>• Interest Rate Swap<br>• Interest Rate Cap's |

## L

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| 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.<br><br>**Synonyms**<br>• Leases |
| Loan Documents | All Fannie Mae-approved documents evidencing, securing, or guaranteeing the Mortgage Loan.<br><br>**Synonyms**<br>• Loan Document<br>• Mortgage Loan Document<br>• Mortgage Loan Documents |

## M

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

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| Mortgage Loan | Mortgage debt obligation evidenced, or when made will be evidenced, by<br>• the Loan Documents, or<br>• a mortgage debt obligation with a Fannie Mae credit enhancement.<br><br>**Synonyms**<br>• Mortgage Loans<br>• Mortgage Loan's |

# P

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

# R

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

# S

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

## T

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|---|---|
| Transfer/Assumption | Transaction changing the ownership of the Borrower or Property.<br><br>**Synonyms**<br>• Transfers/Assumptions |