



Multifamily Selling and Servicing Guide

Effective as of November 25, 2019

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208.02A Obligation to Make Delinquency Advances

Unless the Lender's Contract expressly provides otherwise, the Lender must make Delinquency Advances until the earliest of:

- the Lender's purchase of the Mortgage Loan from Fannie Mae;
- the date on which Borrower cures the Mortgage Loan default;
- the date on which the Lender makes the fourth of four continuous months of Delinquency Advances;
- the Asset Valuation Date established in accordance with Section 6.02 of the Loss Sharing Addendum; or
- the date on which the Borrower pays off the Mortgage Loan.

Notwithstanding the foregoing, (i) for Securitized Mortgage Loans, the Lender must make Delinquency Advances to Fannie Mae as long as the Mortgage Loan is held by the trust established in connection with such securitization, and (ii) for Credit Enhancement Mortgage Loans, the Lender must make Delinquency Advances to Fannie Mae as long as the Bonds are outstanding. However, in either case, Lender will receive reimbursement for such Delinquency Advances upon request as required by [Part V, Chapter 2: Reporting and Remitting, Section 208.02C: Reimbursement for Delinquency and Servicing Advances](#) following the date on which Lender makes the fourth of four consecutive months of Delinquency Advances or, if earlier, immediately following the Maturity Date of the Mortgage Loan and, thereafter, the Lender will receive reimbursement for each Delinquency Advance upon request. If the Lender believes that Delinquency Advances with respect to a Mortgage Loan are no longer required to be made pursuant to this Section 208.02, the Lender shall notify Fannie Mae, in writing, and upon written confirmation by Fannie Mae that it concurs that no further Delinquency Advances are required, the Lender shall cease making Delinquency Advances with respect to such Mortgage Loan.



Glossary

A

Asset Valuation Date As defined in the Loss Sharing Addendum.

B

Bonds Tax-exempt or taxable multifamily revenue bonds, or other tax-exempt or taxable bonds, issued to finance 1 or more Credit Enhancement Mortgage Loan Properties.

Synonyms

- Bond

Borrower Person who is the obligor under the Note.

Synonyms

- Borrowers
- Borrower's

D

Delinquency Advance For Primary Risk Mortgage Loans and Secondary Risk Mortgage Loans, an amount advanced by a primary servicer in respect of regularly scheduled monthly interest or principal due on 1 or more Mortgage Loans, to the extent required under its Lender Contract. For Secondary Risk Mortgage Loans only, in addition to the above, any amount advanced by a primary servicer in respect of all accrued but unpaid interest and principal due on 1 or more Mortgage Loans at the applicable Maturity Date of each relevant Mortgage Loan.

Synonyms

- Delinquency Advances

L



Lender Person approved by Fannie Mae to sell or service Mortgage Loans.

Synonyms

- Lenders
- Lender's

M

Maturity Date Date all amounts due and owing under the Mortgage Loan become fully due and payable per the Loan Documents.

Synonyms

- Maturity Dates

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