Fannie Mae®

Multifamily Selling and Servicing Guide

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218.01 Mortgage Loan Documents Must Permit Defeasance

A Borrower may elect to defease its Mortgage Loan only if the Loan Documents permit defeasance. If the Borrowers Mortgage Loan Documents do not permit defeasance, defeasance of the Mortgage Loan is not permitted.

Glossary

B

Borrower	Person who is the obligor per the Note. **Synonyms** • Borrowers • Borrower's

D

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.

L

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

M

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