



Fannie Mae®

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# Multifamily Selling and Servicing Guide

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## **218.02** Borrower's Election to Defeasance

Prior to the Mortgage Loan's Maturity Date and during the Mortgage Loan's Defeasance Period, the Borrower may defease the entire outstanding balance of the Mortgage Loan in accordance with the applicable terms and conditions of the Borrower's Loan Documents and the provisions of this Section.



# 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

**Maturity Date** Date all Mortgage Loan amounts 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
- Mortgage Loan's