



Fannie Mae®

Multifamily Selling and Servicing Guide

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TABLE OF CONTENTS

Part V Section 221.04D Exceptions to IRS Form 1099-C Reporting	3
GLOSSARY	4



221.04D Exceptions to IRS Form 1099-C Reporting

Interest. Interest need not be reported. If it is reported as part of the cancelled debt, the IRS Form 1099-C instructions require that it be shown in a separate box on the form.

Non-principal amounts. Cancellation of amounts other than stated principal, including penalties, fines, fees, and administrative costs charged to the Borrower, need not be reported.

Release of a co-Borrower. IRS Form 1099-C need not be filed when one Borrower is released from a Mortgage Loan as long as the remaining Borrowers are liable for the full UPB of the Mortgage Loan.

Guarantor or surety. A guarantor or surety (i.e., any Guarantor or Key Principal executing a Non-Recourse Guaranty or a Payment Guaranty) is not a Borrower for purposes of the debt cancellation reporting requirements, so IRS Form 1099-C is never required.



Glossary

B

Borrower

Person who is the obligor per the Note.

Synonyms

- Borrowers
- Borrower's

G

Guarantor

Key Principal or other Person executing a

- Payment Guaranty,
- Non-Recourse Guaranty, or
- any other Mortgage Loan guaranty.

Synonyms

- Guarantors

K

Key Principal

Person who

- controls and/or manages the Borrower or the Property,
- is critical to the successful operation and management of the Borrower and the Property, and/or
- may be required to provide a Guaranty.

Synonyms

- Key Principals
- Key Principal's

M



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

N

Non-Recourse Guaranty

Guaranty executed by a Key Principal on Form 4501 series or [Form 6015 series](#), or approved by Fannie Mae.

Synonyms

- Guaranty of Non-Recourse Obligations

P

Payment Guaranty

Guaranty executed by a Key Principal on Form 4502 series or [Form 6020 series](#), or approved by Fannie Mae.

U

UPB

Unpaid Principal Balance

Synonyms

- UPBs