



Notification 19-01: Form 4098

Effective: 09/03/19

Retired: 04/13/20

Summary of Changes

HIGHLIGHTS

Effective for all commitments submitted on or after September 3, 2019, Fannie Mae is updating its Multifamily Additional Disclosure Guidance (Form 4098) to reflect

- new non-standard Mortgage Loan characteristics,
- updated Cross-Defaulted/Cross-collateralized language,
- an improved Other Prepayment Premium process for C&D Mortgage Loans, and
- removal of the Hybrid ARM Systems Additional Disclosure characteristic.

If a Mortgage Loan has non-standard characteristics

- it may require additions to the MBS Prospectus and/or accompanying Annex A, and
- you must check the Additional Disclosure Indicator and add Additional Disclosure Comments in the Commitment and Delivery (C&D) system.

This update includes:

- New non-standard Mortgage Loan characteristics:
 - **Participation Interests** - Applies to any pool that holds less than 100% participation interest in a Mortgage Loan.
 - **Scattered Sites** - Applies to Properties with multiple non-contiguous sites with separate parcels that are managed and operated as one property.
 - **LIHTC Investment** - Applies if Fannie Mae is a LIHTC investor.
 - **Multiple Series Limited Liability Company** - Applies if the Borrower is formed under a series LLC statute.
- Updated non-standard Mortgage Loan characteristics:
 - **Cross-Defaulted/Cross-Collateralized** – Any cross defaulted and/or cross collateralized mortgage loan that allows the release of the crossed property or has a due on sale clause requires Additional Disclosure (see Job Aid: Data Guidance for Cross-Defaulted and Cross-Collateralized Mortgage Loans for details).
 - Changed **Other Prepayment Premium** to **Declining Prepayment Premium, Other Year Schedule and Other Prepayment Premium** – If Declining Prepayment Premium schedules are not available as allowable values in C&D, use Declining Prepayment, Other Year Schedule.
 - Updated language for



- Mezzanine Financing or Preferred Equity,
- Senior Third Party Debt,
- Condominium Project,
- Future Release, Condemnation, or Property Not Security,
- Property Valuation,
- Conflict Mortgage Loans (i.e., Lender's Equity Interest),
- Non-Standard Events or Default and/or Personal Recourse Triggers,
- Revenue and Expenses (e.g., Tax Abatements), and
- Properties with Multiple Addresses.

- Removed **Hybrid ARM** Systems Additional Disclosure characteristic.

Superseded Lender Letter

This publication supersedes Lender Letter 17-17.

Contact Us

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