

The Borrower may wish to transfer a non-material portion of the Property securing the Mortgage Loan, such as unimproved land not needed to support the existing multifamily project. The Borrower must obtain Lender consent before granting a partial release of any collateral. A partial release of collateral may be approved only if permitted by the Loan Documents, the Disclosure Documents (for an MBS Mortgage Loan), and this Form. The release must satisfy all terms and conditions specified in the Loan Documents and the Disclosure Documents. If the Loan Documents or Disclosure Documents provide no specific guidance on approving a partial release, then the provisions of this Form apply. The Servicer is delegated the authority to approve a partial release of collateral only to the extent delegated in this Form.

If the transfer is being made in lieu of condemnation, the Servicer should submit Form 4636.C in lieu of this Form 4636.PR.

The key points for the Servicer to consider in reviewing a request for a partial release of collateral are set forth below.

Multifamily Selling and Servicing Guide Reference	Part V: Servicing and Asset Management, Chapter 4
Delegation Criteria	<p>The Servicer is delegated the authority to approve a partial release of collateral provided the Servicer completes all the Sections of this Form and answers “No” to all the questions in Part III. The Servicer may attach its own form narrative or memo in place of Section II, provided the memo contains the information requested in Section II and the Servicer completes the remaining sections of this Form. However, the Servicer must notify Multifamily Asset Management before appearing in and prosecuting any legal action or proceeding relating to the partial release, or to settle or compromise any claim in the proceedings.</p> <p>Fannie Mae approval of the partial release of collateral is required if one or more questions in Section III is answered “Yes”.</p> <p>Note: For an MBS Mortgage Loan, any release of collateral is limited by the Loan Documents and by the Disclosure Documents made to Investors at the issuance of the MBS. For all Mortgage Loans, a collateral release is limited by the Loan Documents, accounting rules and tax laws, allowing only a non-material portion of collateral to be released.</p>
Real Estate Considerations	<p>A partial release of collateral increases loan risk as less collateral will support the Mortgage Loan. The Servicer must consider the following factors.</p> <ul style="list-style-type: none"> • What will be the use of the released collateral? • What is the impact to the Property (i.e., marketability, parking, access, amenities, operations, health/safety of residents, etc.)? • Is the released collateral a buffer for a nuisance or negative feature that would now impact the Property? • Is the received compensation fair? • Will the released land be used to build a multifamily property that will compete with the Property, or another property type that would or might have an adverse impact on the Property?
What to Submit	<p>For both delegated and non-delegated requests, the Servicer must complete the relevant parts of this Form, and submit:</p> <ul style="list-style-type: none"> • a signed copy of this Form, including Servicer narrative or memo, if any; • copy of the Borrower Request; and • any other supporting documentation
How to Submit	<p>All delegated and non-delegated requests concerning a partial release of collateral must be submitted as a Borrower Request through the Multifamily Asset Management Portal (MAMP).</p>

Questions	<p>For questions contact:</p> <p>General: <u>Multifamily Asset Management</u>; Structured Transactions (Credit Facilities and Bulk Deliveries): <u>Multifamily Structured Asset Management</u>; Seniors Housing Properties: <u>Multifamily Seniors Housing Property Asset Management</u>; Borrower Channel: <u>Multifamily Borrower Channel</u>; Fannie Mae In-House Counsel: <u>Fannie Mae Multifamily Legal</u>; or Fannie Mae Outside Counsel: <u>Pillsbury Winthrop Shaw Pittman LLP</u>.</p>
Fees	<p>The Borrower must pay the Servicer a \$2,500 review fee. The Servicer may increase or decrease its fee at its discretion. No Fannie Mae review fees are due.</p> <p>The Servicer may also seek reimbursement from the Borrower for all reasonable out-of-pocket costs, including reasonable legal fees incurred by Servicer's counsel.</p> <p>If Fannie Mae outside counsel is engaged, the Borrower must pay its fee, estimated at \$3,000 for most requests concerning a partial release of collateral. The actual legal fee may be higher or lower, depending on the ultimate scope of the request and the time necessary to resolve. The Servicer will receive a summary invoice directly from Fannie Mae outside counsel and must arrange for payment. The Servicer will be apprised of any likely increases in the estimated review fee. The estimated legal fee must be collected from the Borrower before engaging Fannie Mae outside counsel.</p>
Legal Documentation	<p>If the request is delegated to the Servicer, the preparation of the legal documentation to effectuate the partial release of collateral is also delegated to the Servicer. The Servicer is responsible for the preparation or review of (i) the deed, (ii) Partial Release of Security Instrument, (iii) draft amendments to the Loan Documents, and (iv) draft date-down endorsement to Fannie Mae's title insurance policy that reflects the partial release of collateral, and confirms the priority of Fannie Mae's Lien over the portion of the remaining Property.</p> <p>If the request is not delegated and/or Fannie Mae legal review is needed or requested, Fannie Mae counsel must be provided with the following:</p> <ul style="list-style-type: none"> • the land sale contract and proposed deed; • draft amendments to the Loan Documents; • a memorandum reviewing the applicable terms of the Loan Documents in the context of the proposed transaction; • copy of the Borrower Request; • Form 4636.PR; • verification that the release will not cause the remaining Property or Improvements to be in violation of any law, including zoning laws; • a copy of an ALTA survey, site plan, or other drawing depicting the portion of the Property subject to the partial release in relation to the remaining portion of the Property; • legal description of the portion of the Property being released, which must match the legal description in the deed and Partial Release of Security Instrument; • a draft date-down endorsement to Fannie Mae's title insurance policy that reflects the partial release of collateral, and confirms the priority of Fannie Mae's Lien over the remaining portion of the Property; • a description of the source and use of any funds received by the Borrower; and • for each question in Part III of this Form answered "Yes" by the Servicer, the information requested by the Comments section, and any supporting documentation.
Document Execution and Follow-up	<p>For non-delegated requests, Fannie Mae will review the documents and advise the Servicer of any needed follow-up actions. If Fannie Mae approves the non-delegated request or the Servicer has approved the delegated request, the instructions below must be followed for executing any required documents. The Servicer may use its Limited Power of Attorney for documents that Fannie Mae has reviewed and approved.</p> <p>If the Servicer Has Limited Power of Attorney</p> <p>If the Servicer has a Limited Power of Attorney permitting the execution of documents relating to the partial release of collateral, an officer of the Servicer may sign as attorney-in-fact for Fannie Mae. The signature block must be signed "[Name of Servicer], as Attorney-in-Fact for Fannie Mae."</p>

	<p>If the Servicer Does Not Have Limited Power of Attorney</p> <p>If the Servicer does not have a Limited Power of Attorney, the documents must be sent for execution to:</p> <p style="padding-left: 40px;">Fannie Mae Midtown Center 1100 15th Street, NW Washington, DC 20005 Attn: Multifamily Asset Management Mail Stop 8V-21</p> <p>A copy of this Form must be included with the request for execution, with instructions on where to return the executed documents. If the request is time sensitive, electronic versions of the documents may be sent to the applicable Fannie Mae email box address listed in the “Questions” section of this Form.</p> <p>The Servicer must record all applicable documents and retain all required documentation, including this Form, in the Servicing File. Documentation may be kept in electronic form. The Servicer must attach an electronic copy of any newly executed Loan Documents to the existing request in the MAMP. Executed original copies of any new or amended Loan Documents should be sent to the following address:</p> <p style="padding-left: 40px;">Fannie Mae Attn: Multifamily Certification Team Document Delivery Facility (DDF), OB2 13150 Worldgate Drive, Mailstop 5H-2W/01 Herndon, VA 20170</p>
Use of Funds	<p>The Servicer or Borrower must use any funds received from the partial release of collateral according to the requirements of the Loan Documents and Disclosure Documents. If neither address the use of funds, then funds received must be used to:</p> <ul style="list-style-type: none"> • reimburse the Borrower, Servicer, and Fannie Mae for reasonable, direct costs (including reasonable attorneys' fees) incurred as a result of the partial release of collateral; • restore any Property conditions impacted by the partial release of collateral; • improve the marketability of the Property to lessen any negative impact resulting from the partial release of collateral; • place the funds in a special, restricted escrow designated for Property improvements at a later time at the discretion and direction of the Servicer; • place the funds in the Replacement Reserve for future Property improvements not included in the most recent Property Condition Assessment (PCA) ; or • provided the Mortgage Loan is rated Pass or Pass Watch and no Event of Default has occurred and is continuing, the Servicer may release funds to the Borrower up to the greater of (i) \$25,000, or (ii) 10% of the current Unpaid Principal Balance of the Mortgage Loan. <p>The Loan Documents generally prohibit any partial prepayment of the Mortgage Loan. However, if not expressly prohibited under the Loan Documents, in its sole discretion Fannie Mae may permit a partial prepayment in accordance with Accepted Servicing Practices. Any partial prepayment will be subject to applicable Prepayment Premium and fees, as required by the Loan Documents.</p>
Unauthorized Partial release of collateral	<p>If the Servicer becomes aware that a partial release of collateral occurred without approval from the Servicer or Fannie Mae, the Servicer must:</p> <ul style="list-style-type: none"> • promptly complete Form 4636.PR, and follow the same process as if the partial release of collateral had not yet occurred; and • immediately send to the Borrower a Reservation of Rights Letter (Form 4804); and • submit electronic copies of Forms 4636.PR and 4804 through the MAMP. <p>Fannie Mae will decide whether to approve the partial release of collateral or declare the Mortgage Loan in default.</p>

2. Transaction Summary

The Servicer may attach its own form narrative or memo in place of Section 2 provided it contains the information requested in Part 2 and the Servicer completes the remaining sections of this form.

1. Briefly describe the proposed transaction and Servicer's recommendation:

2. Describe the benefits that will result from the proposed transaction:

3. Describe the risks of the proposed transaction, with specific emphasis on risks related to those questions that are answered "Yes":

4. Briefly describe the actions that are being taken by the Servicer and Borrower to mitigate those risks.

5. Briefly describe any other relevant information (if none, answer N/A).

3. Delegation Determination Questions (If any question is answered YES - the request is not delegated to the Servicer)

	Questions	Response	Guide Reference or Comments
1	Is the Mortgage Loan currently rated Substandard or Doubtful on Fannie Mae's Watchlist?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If "Yes", describe how the proposed partial release of collateral will affect the Mortgage Loan risk factors.
2	Is the Mortgage Loan in either: (a) Payment Default; or (b) Performance Default?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If "Yes," notify <u>Multifamily Asset Management</u> immediately if in Payment Default. If in Performance Default (including if the partial release of collateral was entered into without Servicer or Fannie Mae consent), submit the Form 4636.PR, including information regarding the default and actions to cure the default.
3	Will the request require an amendment to either the Master Credit Facility Agreement or Bulk Delivery Agreement? (Applicable only to a Fannie Mae Credit Facility or Bulk Delivery.)	<input type="checkbox"/> Yes <input type="checkbox"/> No	If "Yes", contact <u>Multifamily Structured Asset Management</u> for Credit Facilities and Bulk Deliveries. The Servicer must send the completed Form 4636.PR through the MAMP for review, and Fannie Mae Counsel will be engaged.
4	Does the partial release of collateral violate any term or condition regarding partial releases of collateral in the Loan Documents, Disclosure Documents (for an MBS Mortgage Loan) or this Form?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If "Yes", describe what documents permit a partial release, under what terms and conditions a partial release is permitted and what terms and conditions are violated.
5	Are the Loan Documents and Disclosure Documents (for an MBS Mortgage Loan) both silent regarding any partial release of collateral?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If "Yes", the request is not delegated and the Servicer should follow the guidance in this Form.
6	Would the partial release cause the DSCR of the Mortgage Loan to be less than the lesser of: (a) the Underwritten DSCR of the Mortgage Loan; or (b) the DSCR of the Mortgage Loan immediately before the partial release?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If "Yes", submit a copy of the Borrower's pro forma income statement and the Servicer's analysis of the pro forma.
7	Would the partial release have a material adverse effect on the marketability or occupancy of the remaining Property?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If "Yes", submit a copy of the most recent Appraisal, market study, or other documentation related to the marketability or occupancy of the Property.
8	Would there be a material difference (greater than 10%) between the current market value of the Property and the expected market value of the Property after the partial release? ³	<input type="checkbox"/> Yes <input type="checkbox"/> No	If "Yes", state the difference and submit a copy of the most recent Appraisal or value estimate: _____ Difference

9	Would the LTV for the Mortgage Loan after the partial release be higher than the original Underwritten LTV?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If "Yes", submit a copy of the most recent Appraisal or documentation related to the change in Property value.
10	Would the partial release have a negative effect on the access, visibility, or the storm water drainage at the Property?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If "Yes", submit a copy of the survey showing the Property, the portion that would be condemned, and the proposed improvements or use of the condemned parcel.
11	Would the partial release cause a zoning violation based on the applicable zoning or the allowable density requirements for the portion of the Property remaining after the partial release?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If "Yes", submit a summary of the local ordinances affected by the partial release, the Borrower's plan to correct the zoning or density issue, and the Servicer's opinion concerning the sufficiency of the current ordinance and law insurance coverage.
12	Would the partial release cause a decrease below the zoning minimum required parking spaces, or have a material negative impact on the parking availability at the Property?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If "Yes", submit a summary of the local ordinances affected by the partial release and the Borrower's plan to address the parking deficiency.
13	Will the partial release compensation be used for any purpose other than as permitted in the Loan Documents or by this Form?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If "Yes", describe the issues concerning the partial release award.
14	Is the Borrower requesting the release of one or more properties from any cross collateralized and/or cross defaulted Mortgage Loan, and must release tests associated with the remaining collateral (i.e., DSCR, LTV, etc.) be met for the release to be permitted?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If "Yes", please describe the proposed use of the compensation.
15	Would the partial release cause the UPB of the Mortgage Loan to exceed 100% of the value of the real estate (100% LTV)? For Senior Housing Properties with a Mortgage Loan Origination Date after January 1, 2021, you must calculate the real estate value in accordance with Footnote 4.	<input type="checkbox"/> Yes <input type="checkbox"/> No	If "Yes", please provide the values for the land and improvements, goodwill, business value, intangibles; and furniture, fixtures and equipment.

³ Note: The 10% test is calculated at the time of the release of collateral. The calculation will generally be the value of the partial release award divided by the current market value of the entire Property immediately prior to the partial release of collateral.

4. Servicer Certification

The Servicer hereby represents and warrants to Fannie Mae that, to the best of its knowledge, the statements made in this Form are true and correct, and that no material facts have been omitted or misstated.

Signed* _____

Name _____

Title _____

Date _____

*An electronic signature is acceptable.

⁴ Appraisals on Seniors Housing Properties generally have values that include land and improvements, goodwill, business value, intangibles; and furniture, fixtures and equipment. This LTV test must use only the value attributed to land and improvements. If a new Appraisal is obtained, use the value attributed to land and improvements in the new Appraisal. If a Direct Cap valuation approach is utilized, you must deduct value attributed to the total of goodwill, business value, intangibles, and furniture, fixtures and equipment from the Direct Cap approach to calculate the value attributed to land and improvements. You may use the percentage of total value attributed to land and improvements found in the origination Appraisal to the current Direct Cap valuation to calculate the current land and improvement value.

For example, if the original Appraisal attributed 85% of the value to land and improvements and 15% of the value to goodwill, business value, intangibles, and/ furniture, fixtures and equipment; assume the current value of the land and improvements is 85% of your new Direct Cap Value.

Example

Property Information	Appraisal for Mortgage Loan Origination	Appraisal for Partial Release
NCF	\$1,929,330	\$2,100,000
Cap Rate	6.63%	6.40%
Final Total Value (NCF/Cap Rate)	\$29,100,000	\$32,812,500
Total of Goodwill, Business Value, Intangibles and and Furniture, Fixtures, and Equipment	\$4,365,000	\$4,921,875 (\$32,812,500 * 15.0%)
Land and Real Property	\$24,735,000	\$27,890,625 (\$32,812,500 * 85.0%)
Land and Real Property Percentage of Final Total Value	85.0%	85.0%
Mortgage Loan UPB	\$16,005,000	\$16,000,000
LTV (UPB/ Land and Real Property)	64.7%	57.4%
Is LTV < 100%	Yes	Yes
Answer to Question 15	N/A	No