

Multifamily Selling and Servicing Guide

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1402.05B Borrower, Guarantor, Key Principals, and Principals

Requirements

You must:

- identify all Key Principals and Principals of the Borrower and Guarantor;
- confirm the original underwriting of the Borrower, Guarantor, and each Key Principal and Principal per Part I, Chapter 3: Borrower, Guarantor, Key Principals, and Principals;
- obtain updates to the:
 - financial statements for all parties relevant to the transaction;
 - Multifamily Underwriting Certificates (Form 6460 series) for the Borrower, Guarantor, and each Key Principal;
 - organizational documents of the Borrower, Guarantor, and each Key Principal; and
 - good standing certificate from the jurisdiction where an entity Borrower and Guarantor are organized;
- confirm that the organizational structure of the Borrower, Guarantor, and each Key Principal complies with Part I, Chapter 3: Borrower, Guarantor, Key Principals, and Principals; and
- confirm that no unauthorized change has been made to the organizational structure or organizational documents of the Borrower or the Guarantor.

% Operating Procedures

If there was	You must
• an unauthorized Transfer/Assumption	notify Fannie Mae per:
; or • any change in the organizational structure of the	 Part VI, Chapter 3: Non-Performing Primary Risk Mortgage Loans, Section 305: Notice of Default ; or Part VI, Chapter 5: Non-Performing Secondary Risk Mortgage Loans, Section 505: Notice of
Borrower, Guarantor, or any Key Principal or Principal	Default .



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

P

Principal	Person who owns or controls, in the aggregate, directly or indirectly (together with that Person's Immediate Family Members, if an individual), specified interests in the Borrower per Part I, Chapter 3: Borrower, Guarantor, Key Principals, and Principals, Section 303: Key Principals, Principals, and Guarantors. Synonyms • Principals
Т	
Transfer/Assumption	Transaction changing the ownership of the Borrower or

Transaction changing the ownership of the Borrower or Property.

Synonyms

• Transfers/Assumptions