Fannie Mae

Multifamily MBS Roadmap

Version as of ~~January~~~~February~~ March 2025

Fannie Mae

Introduction to Multifamily MBS Roadmap

~~Introduction~~

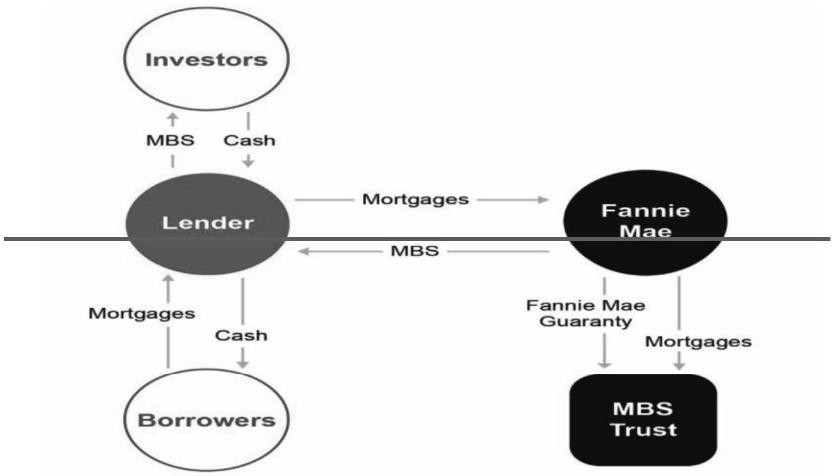
This document provides guidance for determining what types of Mortgage Loan structures~~ and~~, features, and modifications are permissible under Fannie Mae's Multifamily Mortgage-Backed Security (MBS) execution. Fannie Mae's form Loan Documents are designed to be ~~MBS~~ compliant with federal income tax requirements ~~for the~~and MBS ~~trust~~Trust Agreement requirements. Each newly issued Multifamily MBS is structured as a Fixed Investment Trust (FIT) that has made a Real Estate Mortgage Investment Conduit (REMIC) election for tax purposes. **Mortgage Loan Document modifications, whether made at the Mortgage Loan Origination Date or during the life of the Mortgage Loan, must ~~create and maintain compliance~~comply with the disclosure and tax requirements for the MBS ~~trust~~execution and REMIC election.**

Document Purpose: This document is intended to supplement, and not be a substitute for, compliance with Fannie Mae's Charter~~,~~ and the Multifamily Selling and Servicing Guide, including the rules for Additional Disclosure and Form 4098. ~~This document addresses MBS legal issues only and does not change the rules for Lender delegating to Lenders and Servicers the authority to make decisions, which are contained in the Guide and Lender Contracts. Mortgage Loans that are implemented using Fannie Mae Multifamily published Loan Documents in accordance with the Guide generally do not raise MBS legal issues, although Additional Disclosure may still be required. Any~~Also, any items noted as Additional Disclosure should be included on the Form 4097,~~. Note that Form 4097~~ which is required when trading an MBS.

This document addresses MBS legal issues only and does not change the rules for Lender delegation.

Disclaimer: While this guidance document contains many of the most frequent inquiries related to our MBS, it should not be interpreted as a comprehensive list of all potential situations and outcomes. ~~It should also be noted that~~Importantly, a Fannie Mae response indicating that a specific non-standard term or characteristic is MBS-compliant does not constitute Fannie Mae Deal ~~team~~Team approval for that term. Separate Fannie Mae Credit and/or Legal ~~legal~~ approval must also be obtained for such a request. **Any questions should~~ always~~ be directed to your Fannie Mae Deal Team or Asset Manager.**

~~Understanding the Investor Perspective~~

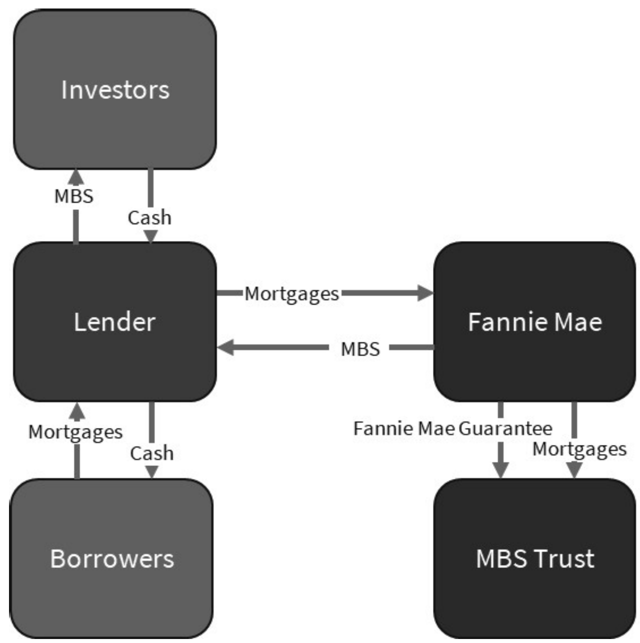


~~*Figure 1: MBS Swap Transaction*~~

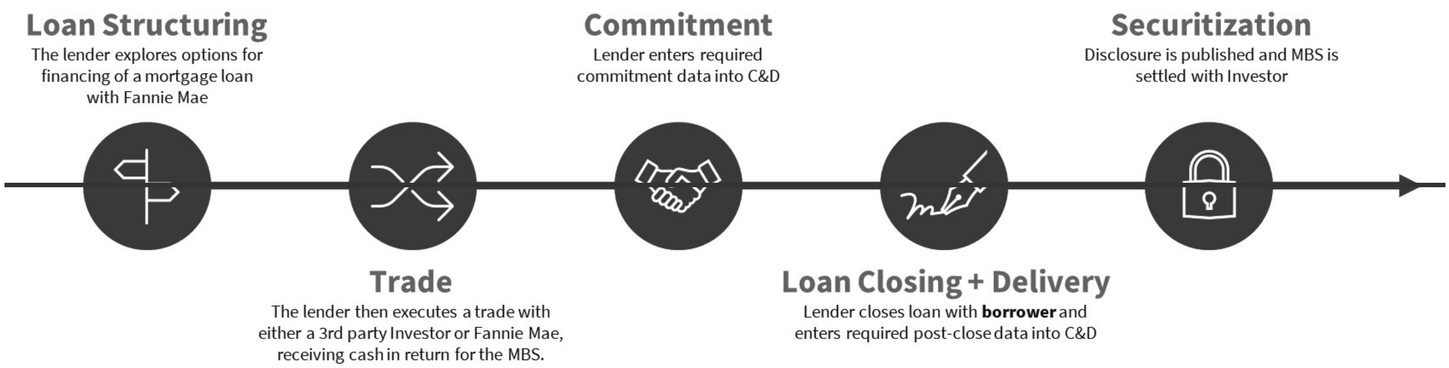
Understanding MBS

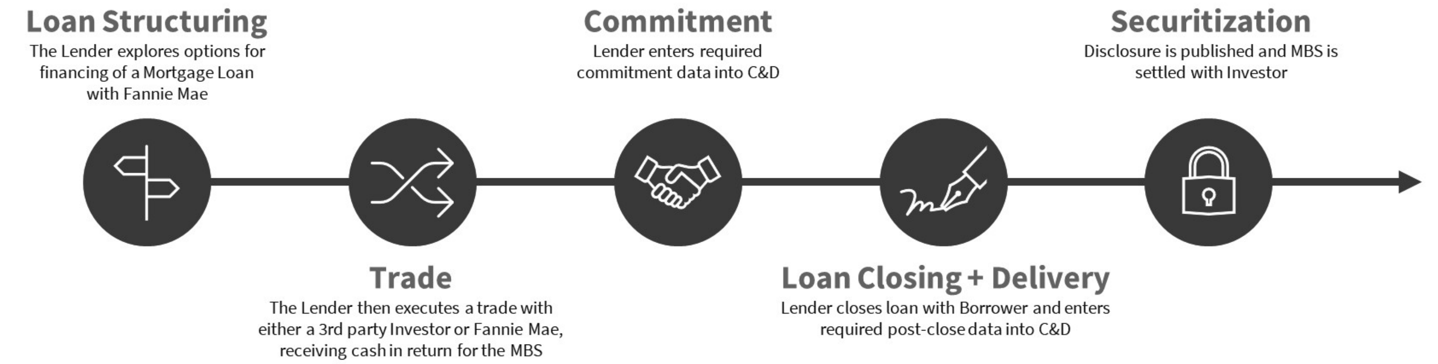
Fannie Mae securitizes ~~essentially all~~ the M~~m~~ortgage L~~l~~oans purchased from Lenders via an MBS Swap, in which we ~~receive~~acquire the Mortgage Loan, securitize it, and then return the resulting MBS to the Lender.

The Lender ~~then~~first executes a trade with an Investor, receiving cash in return for the MBS. Therefore, Investors serve as the ultimate source of liquidity for our Lenders. ~~In order to~~To support the liquidity and reputation of our MBS, we must take the needs and expectations of our ~~investors~~Investors into account as we manage our MBS.



Understanding the Investor Perspective





When an MBS is issued, it is generally accompanied by a set of ~~disclosures~~disclosure data ~~(Annex A)~~ and documents ~~(~~:

- **Prospectus** ~~&~~ **/Annex A***
- **Master Trust Agreement**~~).~~

Such data and documents are used by ~~I~~investors to understand and price the risk associated with our securities. Because of this, we generally do not permit changes to a Mortgage Loan in an MBS (or to the related ~~mortgaged~~ ~~P~~property ~~in an MBS~~) that would change the original disclosure terms or introduce new risks that were not~~n't~~ previously disclosed. Allowing such changes would undermine ~~I~~investor confidence in our MBS and could adversely affect ~~harm~~ liquidity.

~~Prospectus Overview~~

~~Each Fannie Mae MBS Prospectus contains general information about pools issued during its effective period including, but not limited to, the nature of the Fannie Mae guaranty, yield considerations, and the mortgage purchase programs. This includes high level characteristics of different loan programs, property types, and risk factors that investors should consider when evaluating our securities.~~

~~There are several different base Prospectus templates that are used depending upon **the interest type** (e.g. Fixed Rate vs Adjustable Rate), **loan type** (e.g. DUS vs Credit Facility) and **prepayment type** (e.g. Yield Maintenance vs Declining Premium). Each Prospectus template maybe updated from time to time and certain actions allowable under one Prospectus may not be permissible under a different Prospectus.~~

Master Trust Agreement Overview

The~~When~~ Fannie Mae issue~~ds an~~ MBS~~, that security~~ represents an undivided beneficial interest in a pool of M~~m~~ortgage L~~l~~oans or participation interests in M~~m~~ortgage L~~l~~oans held in trust pursuant to the terms of a governing trust document.

The Master Trust Agreement, or the Trust Indenture, including its exhibits and supplements, generally set forth the terms relating to an issuance of MBS, including the Mortgage Loans or participation interests in the pool, and payment terms on the MBS securities issued~~ thereunder~~. The Master Trust Agreement also outlines the conditions under which Fannie Mae may repurchase or cause the repurchase of a Mortgage Loan from its MBS, resulting in a prepayment to the I~~i~~nvestor without any prepayment ~~penalty~~premium.

The Master Trust ~~Agreement has~~Agreements have been updated several times over the years and certain actions allowable for pools issued under one Master Trust Agreement may not be permissible for pools issued under a different Master Trust~~.~~ Agreement.

REMIC Election Overview

~~To align with the broader MBS market,~~ Fannie Mae began making a REMIC election for its Multifamily MBS issued on or after January 1, 2021. Any Multifamily MBS issued ~~as a FIT~~ prior to January 1, 2021 was not affected by this change.

Current forms of the Multifamily MBS Trust Agreement and MBS Prospectus documents~~, samples of which may be found~~ ~~here, now~~* include language referencing the REMIC election. ~~However, this~~This election does not change the structure of the Mortgage Loans backing our MBS or~~ of~~ the security itself. Our MBS continue to be single class mortgage pass-through certificates which use the same ~~prefixes~~prefixes and provide I~~i~~nvestors with guaranteed timely payments of principal and interest.

*~~ – p~~Please review Additional Information ~~for more information~~ on the MBS Trust Agreements and MBS Prospectuses - Multifamily.

Pre-Securitization Rules for REMIC Election MBS - Issued On or After 1/1/21

REMIC Election Requirements

~~There are several things to consider with respect to REMIC election eligibility.~~ Multifamily Mortgage Loans delivered to Fannie Mae must meet some key criteria related to ~~the~~ **loan to value** ~~and~~ ~~**loan to collateral**~~ to be REMIC-election eligible~~.~~

~~**Loan To Value Test -**~~ – the ~~Mortgage Loan must be principally secured by real estate collateral. 'Principally secured' means that the real estate collateral is sufficient to support a loan-to-value (LTV) that does not exceed 125%. However, since the Real Estate Investment Trust (REIT) rules allow a maximum LTV of 100% for eligible investments, Fannie Mae has set the LTV ceiling at 100% ("LTV test"). Our general underwriting criteria would be well within this requirement for a large majority of transactions. However, there are certain transactions such as Senior Housing Mortgage Loans and Phased Properties that cross-collateralize Mortgage Loans which may require additional consideration to ensure the LTV test is met.~~"LTV test."

- ~~**Seniors Housing Property Value**~~

LTV Test:

- The ~~appraised~~fair market value of the **real property** collateral securing the Mortgage Loan must meet a ~~Seniors Housing Property is based on three (3)~~100% LTV ratio test:
  - Real property generally includes land, buildings, or other inherently permanent structures.
  - Real property must generally be owned as fee ownership, co-ownership, or leasehold ownership.

  Real property does not include allocated value ~~allocations in the appraisal as follows:~~

  ~~(i) Real Property Value, including Land~~for personal property and ~~Improvements, which sometimes are broken out separately.~~
  ~~(ii) Intangibles and Goodwill and/or the Business Value; and~~
  ~~(iii) Furniture, Fixtures, and Equipment (FF&E) Value.~~
  - ~~The LTV Test for REMIC eligibility is **based on the Real Property Value only; value from**~~ intangibles. ~~**or FFE is not included**. If the requirement is not met, the Mortgage Loan is Pre-Review per our credit guidance.~~

- ~~**Phased Properties with Cross-Collateralized Mortgage Loans**~~
- ~~On certain phased Properties, the Mortgage Loans secured by each Property are~~ For the LTV test for **cross-collateralized** ~~after the origination of the first Mortgage Loan upon the financing of the second phase. When a new Mortgage Loan is cross-collateralized against an existing Mortgage Loan~~**Mortgage Loans**, the **combined LTV** for all the ~~of the~~ crossed-collateralized Mortgage Loans must not exceed 100%. ~~to ensure the "principally secured" test is met.~~

~~**[Loan To Collateral Test –** The REMIC election tax regulations require that each MBS be fully secured (100%) by real estate collateral . Satisfying this eligibility requirement is evidenced by one or more recorded direct lien(s) on the collateral equal to 100% of the indebtedness throughout the life of the Mortgage loan(s). A comprehensive review of any transactions with subordinate debt, mezzanine debt, bifurcated loans and split loans may be required. In certain cases, a review and approval of the language in the security instrument may be required to ensure these criteria are met.]~~

- For the LTV test for **Seniors Housing Property**, while the appraised value of a Seniors Housing Property is based on three value allocations (real property, intangibles and goodwill, and Furniture, Fixtures, and Equipment (FF&E)), the LTV test is based **ONLY** on the real property value.
- For the LTV test for ***first L~~l~~iens***, all real property collateral value applies. For the LTV test for ***subordinate L~~l~~iens***, ONLY -real property collateral value left after fully satisfying any ***first L~~l~~ien*** applies.
- The following scenarios will **NEVER** meet the LTV test:
    - Mortgage Loans secured by pledges of stock, partnership or membership interests (even if the partnership/limited liability company owns real property).
    - Mortgage Loans secured by other loans (even if the underlying loan is secured by real property).

Lender Requirements, Representations, and ~~&~~ Warranties

~~The~~ To ensure REMIC election eligibility, the Lender must ~~determine if the MBS being backed by the Mortgage Loan would be REMIC eligible per the Guide and make~~represent that the following ~~representations regarding REMIC eligibility:~~

~~The Mortgage Loan has~~items have not been ~~satisfied, cancelled, released, subordinated, or~~ modified **~~during the period from the Mortgage Loan Origination Date through the Book-Entry Date for the MBS~~**~~, including any change made to:~~between the Mortgage L~~l~~oan origination and the MBS securitization.

- ~~Mortgage Loan amount, Gross Note Rate, Maturity Date, amortization period, or timing of payments, or Collateral or Lien priority;~~
- ~~Reserve types required per the Loan Documents or the Reserve release provisions;~~
- ~~Mortgage Loan recourse provisions;~~
- ~~New non-recourse carve-outs;~~
- ~~Borrower's organization type; or~~
- ~~Persons personally liable for the Mortgage Loan, any Payment Guaranty, or additional credit enhancement.~~

~~1 Mortgage Loan amount, Gross Note Rate, Maturity Date, amortization period, timing of payments, Collateral composition, or Collateral priority~~

~~2 Mortgage Loan recourse provisions~~

~~3 New non-recourse carve-outs~~

~~4 Borrower's organization type~~

~~5 Persons personally liable for the Mortgage Loan, any Payment Guaranty, or additional credit enhancement~~

~~All~~

1 Mortgage Loan amount, Gross Note Rate, Maturity Date, amortization period, timing of payments, Collateral composition, or Collateral priority

2 Mortgage Loan recourse provisions

3 New non-recourse carve-outs

4 Borrower's organization type

5 Persons personally liable for the Mortgage Loan, any Payment Guaranty, or additional credit enhancement

Additionally, the Lender represents that all Mortgage Loan proceeds were fully funded on the Mortgage Loan Origination Date to the Borrower directly and/or to r~~R~~eserve accounts or escrows required by Loan Documents.

Contact your Fannie Mae Deal Team for questions regarding REMIC eligibility compliance.

Note: Fannie Mae policy states that the REMIC election is required for all Mortgage Loan transactions.

~~However, per the Form 4098, if REMIC eligibility is not met, yet the transaction is [otherwise] approved to be Delivered, then Additional Disclosure will be required on the Form 4097 when trading the MBS to indicate that it is ineligible for re-securitization. Lenders should follow delivery requirements in the applicable Acquisition systems for required Additional Disclosure.~~

~~[Escrows/]~~Reserves ~~(Patty)~~

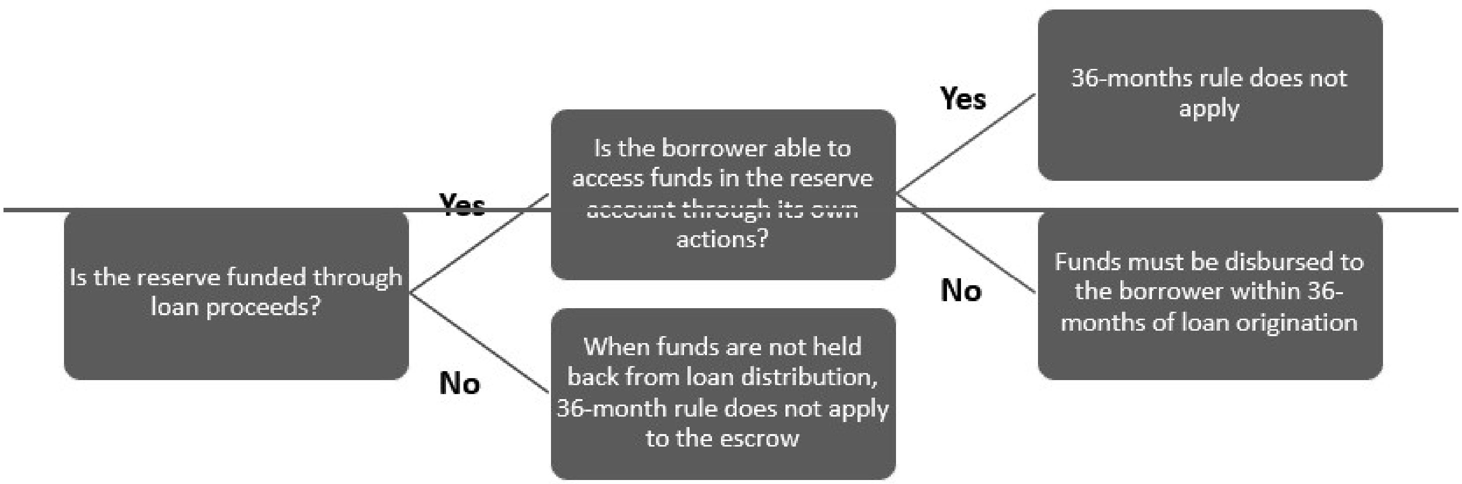
~~The following information should be considered when requiring an escrow or reserve. The question that needs to be considered to ensure compliance with REMIC tax rules is whether the amounts in~~ For tax purposes, it is important that a reserve ~~account should be treated~~qualifies as part of ~~the indebtedness. Only a reserve established from~~ Mortgage Loan ~~proceeds at closing ("Holdback Reserves") with respect to which a Borrower has little or no ability to gain access to the reserve funds within a reasonable timeframe through its own actions raise the~~principal. Certain types of reserves present a more significant tax concern ~~that the Mortgage Loan was not fully funded and disbursed at closing.~~

~~• Reserve accounts funded by Borrower capital pre-loan funding, springing reserves, letters of credit, partial/full guarantees, or other reserves funded by the Borrower from other sources, present less of a tax concern.~~

~~• In addition, for Holdback Reserves, the tax issue is minimized where the Borrower has the ability (through its own actions or automatically) to access the reserve funds within a reasonable timeframe. For Holdback Reserves where borrower has little or no control over the release of the funds, such reserve funds must be disbursed to borrower within 36-months after closing. Substituting a letter of credit for the reserve funds upon expiration of the 36-month period satisfies the disbursement requirement. A 36-month disbursement requirement provides a clear mechanism for borrower to receive the funds within a reasonable period and minimizes the risk that the reserve funds would not be considered as part of the Mortgage Loan proceeds for tax purposes.~~

than others. The decision tree below provides ~~questions to ask~~guidance when analyzing whether a Mortgage Loan reserve ~~should be treated~~qualifies as part of ~~loan~~Mortgage Loan principal for tax purposes

Decision Tree



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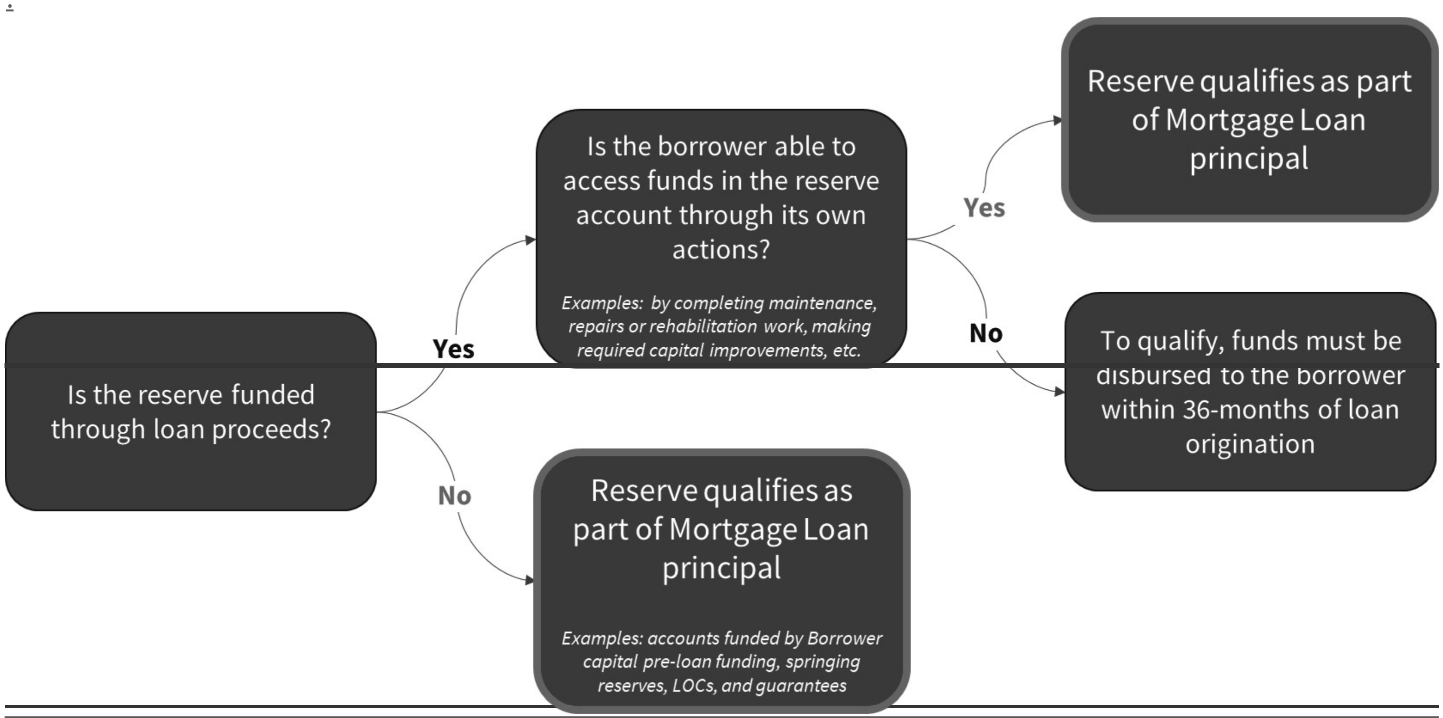

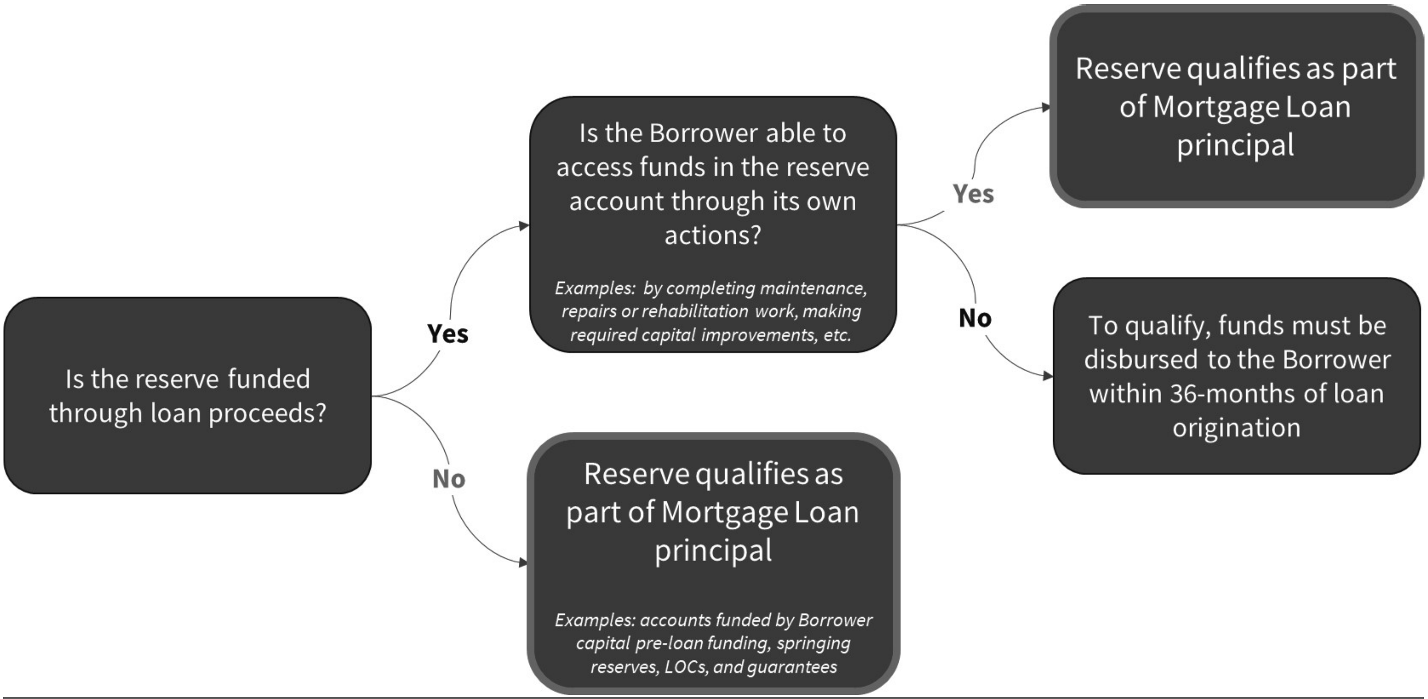

Additional Disclosure Requirements

As described in Part IV, Chapter 5: Purchase, Section 504: MBS Mortgage Loan Disclosure ~~Ssection 504 of the Guide~~, when a Mortgage Loan backing a new MBS issuance is expected to have any non-standard terms or characteristics, the Lender must work with the Fannie Mae Deal Team and the Lender's legal counsel to determine if ~~any potential MBS issues require~~ Additional Disclosure is required before:

- circulating the applicable Form 4097 – Multifamily Required Trade Information for Cash or MBS Loans; or
- entering into a Rate Lock.

Any Additional Disclosures included on Form 4097 at the time of the MBS trade must also be entered into the Additional Disclosure section in C&D when creating the Mortgage Loan C~~c~~ommitment.

If you have any questions regarding Additional Disclosure requirements, consult the Form 4098 (Additional Disclosure Guidance) and your Fannie Mae Deal Team.

Prospectus Overview

Each Fannie Mae MBS Prospectus contains general information about MBS issued during its effective period. Specific transaction information is included in the Additional Disclosure section and Annex A.

This includes high level characteristics of different Mortgage L~~l~~oan programs, P~~p~~roperty types, and risk factors that I~~i~~nvestors should consider when evaluating our securities.

There are several different base Prospectus templates that are used depending upon **the interest type** (e.g., Fixed Rate vs Adjustable Rate), Mortgage L~~l~~**oan type** (e.g., ~~DUS~~whether the Mortgage Loan is originated as part of a~~-vs~~ Credit Facility or not) and **prepayment type** (e.g., Yield Maintenance vs Declining Premium).

Each Prospectus template may be updated from time to time and certain actions allowable under one Prospectus may not be permissible under a different Prospectus.

Post-Securitization Asset Management Rules for All MBS

Existing Loans – Rules of the Road

Regardless of the underlying structure of an MBS (FIT or REMIC election), no modification of a Mortgage Loan is permitted if the change would contradict the "at-issuance" disclosures or if the change introduces elements that would have required Additional Disclosure at the time of issuance~~,~~ or would otherwise have rendered the Mortgage Loan MBS-ineligible. Additionally, ~~there may be~~ any potential tax implications ~~to~~ must be considered.

When modifying an existing MBS Mortgage Loan, the Lender must work with its Fannie Mae Asset Manager and the Lender's legal counsel to ensure that any proposed post-origination change to the Mortgage Loan or ~~Mortgaged~~ Property conforms to the related MBS disclosure documents and to the requirements within the related T~~t~~rust ~~a~~Agreement.

Mortgage Loan or collateral changes that are not permitted:

New Event of Default: Addition of a new Borrower event of default or Guarantor event of default.

New Master Lease: Introduction of a new Master Lease if it includes new Borrower events of default.

Delaware Statutory Trust (DST) Changes: Conversion or transfer of the Borrower from an LLC or other non-DST structure to a DST Structure~~ is not permitted.~~. The conversion or transfer of the Borrower from a DST Structure to an LLC or other non-DST structure requires Fannie Mae approval.

Prepayment Changes: Waiver of the lockout period or modification of prepayment provisions prior to Yield Maintenance Period End Date or Prepayment Premium Period End Date.

Ownership Interest Changes: Change in type of Property ownership interest (e.g., conversion of the Borrower's interest in the Property from fee simple to leasehold~~)~~ or from leasehold to fee simple).

Changes in Cross-defaulted or Cross-collateralized~~ing~~ Relationship: Cross-default and/or cross-collateralization with a new Mortgage Loan or release of existing cross-default or cross-collateralization provisions (~~without having included~~unless permitted in the Loan Agreement and indicated in prior Additional Disclosure).

New Due on Sale: Addition of a new due-on-sale clause either related to a cross-default or cross-collateralization relationship, transfer event, or other reason.

Partial Pre-Payment: Partial pre-payment not ~~addressed~~indicated as permitted in the Prospectus or Loan Agreement~~ as permitted.~~.

Borrower Structure Changes: Any changes that are made in the Borrower's organizational structure between the Mortgage L~~l~~oan Origination Date ~~closing~~ and the issuance of the MBS.

Post-Securitization/Asset Management Rules for MBS with REMIC Election - Issued on or a~~A~~fter 1/1/21

Asset Management Requests

Any Borrower request that affects the collateral for the Mortgage Loan, whether reviewed on a delegated or non-delegated basis,~~.~~ must be evaluated on a case-by-case basis to determine if it is permitted under the REMIC rules.~~.~~

~~**Partial Releases**: The Delegated Transaction Forms 4636.C and 4636.PR for condemnations and partial releases respectively, have been updated so that a collateral change that would violate the 100% LTV test would not be permitted. Lenders should consider if the condemnation/partial release will cause the UPB for the Mortgage Loan to exceed 100% of the value of the real estate (100% LTV).~~

Partial Releases:

The Delegated Transaction Forms 4636.C and 4636.PR, for condemnations and partial releases respectively, have been updated so that a collateral change that would violate the 100% LTV test would not be permitted. Lenders should consider if the condemnation/partial release will cause the UPB for the Mortgage Loan to exceed 100% of the value of the real estate (100% LTV).

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Partial Releases:

The Delegated Transaction Forms 4636.C and 4636.PR for condemnations and partial releases respectively, have been updated so that a collateral change that would violate the 100% LTV test would not be permitted. Lenders should consider if the condemnation/partial release will cause the UPB for the Mortgage Loan to exceed 100% of the value of the real estate (100% LTV).

Loan Modifications:

Requests related to Supplemental Mortgage Loans that would otherwise delegate corresponding modifications to the Senior Mortgage Loan are not permitted if it would:

- Contradict the Senior Mortgage Loan's MBS disclosures;
- Introduce any element that would have required Additional Disclosure at time of issuance; or
- Otherwise have rendered the Senior Mortgage Loan REMIC ineligible

Any modification request made in conjunction with a Transfer/Assumption, whether considered on a delegated or non-delegated basis, is not permitted if it~~that~~ would:

- ~~c~~c~~C~~ontradict the at-issuance MBS disclosures;~~, or if the change~~
- ~~i~~I~~i~~ntroduce~~s~~ any element that would have required Additional Disclosure at the time of issuance; or

~~or would o~~o~~O~~therwise have rendered the Mortgage Loan REMIC ineligible~~, are~~

- ~~not permitted~~.
- ~~Tax Relief Program:Borrower may request at Mortgage Loan origination for the optionality to add a Tax Relief Program sometime during the Mortgage Loan term. The Loan Agreement already includes language allowing for such a request to be submitted for review. Additional Disclosure will be required to inform investors of the Borrower's desire to add the option for a Tax Relief Program post-MBS issuance and the potential for a new event of default associated with a new regulatory agreement. Once ready to proceed with the request, Borrower must advise Lender who will need to submit the request to Asset Management (MAMP) which will go through a review process (including Underwriting, Legal, Tax Legal, MBS Execution Management.) Approval is contingent upon the outcome of this review.~~
- ~~Updated language will be added to the Prospectus in Q3 2024 allowing for the submission of a Tax Relief Program request during the Mortgage Loan term. Additional Disclosure concerning the optionality will no longer be required for MBS issued with the updated Prospectus. This update will allow a Borrower who decides during the Mortgage Loan term to add a Tax Relief Program will have the automatic flexibility without Additional Disclosure to request approval for imposition of a Tax Relief Program. Please note however, that the process for the submission of Borrower's request by Lender and Fannie Mae's review noted above will remain the same.~~

Tax Relief Program: A tax arrangement where the ~~mortgaged~~ P~~p~~roperty benefits from an elimination or reduction in property taxes (i.e., Tax Exemption or Tax Abatement, Payment in Lieu of Taxes (PILOT) or Tax Increment Financing (TIF)). Adding a Tax Relief Program post-MBS issuance may be allowed in specific circumstances and will require the submission of a request with supporting documentation. Requests should be submitted through the Multifamily Asset Management Portal for MBS transactions that ~~:~~

included Additional Disclosure language about a potential future tax relief program; or

were issued on/after 1/1/2025.

Fannie Mae prohibits the addition of a Tax Relief Program with an associated event of default on transactions that do not fit into the above two categories.

The Asset Management Team will engage with Fannie Mae teams to review the request and will communicate the final decision.

Borrower Structure Changes: Changes to the Borrower's ownership s~~S~~tructure are generally only permitted ~~by REMIC regulations~~after MBS issuance. However, review will ~~generally~~ be required to ensure the change in the Borrower s~~S~~tructure does not introduce other elements that could contradict our original disclosures or introduce REMIC Tax issues. Changes to affordability, reserves, or the introduction of new e~~E~~vents of d~~D~~efault (such as a conversion to a

Delaware Statutory Trust or introduction of a new Master Lease~~). Changes to Borrower Structure~~) are ~~only~~generally not permitted~~ after MBS issuance.~~.

Post-~~-~~Securitization/Asset Management Rules for Fixed Investment Trust MBS - Issued Prior to 1/1/21

REMIC Significant Modifications

Significant modifications can result from changes to the value in the underlying collateral, changes in recourse, or a change in payment expectations (e.g., the addition or a partial release of collateral) not originally contemplated in the Loan Documents. ~~Generally, a~~

Some changes in collateral may not rise to the level of a "significant" modification. A change that represents less than~~-~~, for example, 10% of the total collateral value ~~will~~ may not result in a significant modification. ~~-~~However, a change that represents 10% or more of collateral value will generally be deemed to result in a significant modification unless it satisfies the LTV test (or is "no worse off" - i.e., the change has either a neutral or positive impact on the value of the real property collateral ~~(or improves the collateral value)~~) post-change.

For releases of collateral specifically, any release will result in a significant modification unless it satisfies the LTV test or is "no worse off" post-release.

Any questions should be directed to your Asset Management representative. ~~Under the tax laws for Fixed Investment Trusts (FIT), a change in the underlying collateral that results in a "significant modification" can result in a taxable event for the holder of a FIT MBS security. Collateral changes that result in a significant modification are not permitted for Mortgage Loans backing a FIT MBS.~~

~~Requests that Require Review:~~

- ~~**Non-Recourse Carve Outs**: For a non-recourse loan, the addition of any new non-recourse carve-out~~
- ~~**Collateral Addition or Release**: Addition or release of collateral, whether real property, cash, or letter of credit that is 10% or more of the total collateral value;~~
- ~~**Lien Release**: Partial release of a Lien on real property collateral (not in connection with a condemnation and not contemplated in the Loan Documents for the Mortgage Loan;~~
- ~~**Changes to Guaranty**: For a non-recourse Mortgage Loan, the addition of or expansion of a limited guaranty for completion of repairs or other identified Property issues~~
- ~~**Borrower Changes**: For a recourse Mortgage Loan, the addition or deletion of a co-obligor (without release of all original Borrowers);~~
- ~~**Modifications related to Transfers/Assumptions**: Modification of permitted and non-permitted Transfers/Assumptions for a non-recourse Mortgage Loan; Fannie Mae review required unless delegated under the Guide or current published Form 4636.TA – Multifamily Asset Management Delegated Transaction: Transfer/Assumption; and~~

- ~~**Loan Modifications**: The addition of new covenants or other modifications (not otherwise addressed in this Guidance document) to Loan Documents upon a Transfer/Assumption or for asset management requests, unless permitted by Part V of the Guide.~~

Loan or collateral changes that ~~are not permitted:~~require review:

1

Non-Recourse Carve Outs:

For a non-recourse loan, the addition of any new non-recourse carve-out

2

Collateral Addition or Release:

Addition or release of collateral, whether real property, cash, or letter of credit that is 10% or more of the total collateral value

3

Lien Release:

Partial release of a Lien on real property collateral (not in connection with a condemnation and not contemplated in the Loan Documents for the Mortgage Loan)

4

Changes to Guaranty:

For a non-recourse Mortgage Loan, the addition of or expansion of a limited guaranty for completion of repairs or other identified Property issues

5

Borrower Changes:

For a recourse Mortgage Loan, the addition or deletion of a co-obligor (without release of all original Borrowers)

6

Modifications related to Transfers and Assumptions:

Modification of permitted and non-permitted Transfers/Assumptions for a non-recourse Mortgage Loan; Fannie Mae review required unless delegated under the Guide or current published Form 4636.TA – Multifamily Asset Management Delegated Transaction: Transfer/Assumption

7

Loan Modifications:

The addition of new covenants or other modifications (not otherwise addressed in this Guidance document) to Loan Documents upon a Transfer/Assumption or for asset management requests, unless permitted by Part V of the Guide

8

Tax Relief Program:

For a non-recourse Mortgage Loan, the addition of or expansion of a limited guaranty for completion of repairs or other identified Property issues

1

Non-Recourse Carve Outs:

For a non-recourse loan, the addition of any new non-recourse carve-out

2

Collateral Addition or Release:

Addition or release of collateral, whether real property, cash, or letter of credit that is 10% or more of the total collateral value

3

Lien Release:

Partial release of a Lien on real property collateral (not in connection with a condemnation and not contemplated in the Loan Documents for the Mortgage Loan)

4

Changes to Guaranty:

For a non-recourse Mortgage Loan, the addition of or expansion of a limited guaranty for completion of repairs or other identified Property issues

5

Borrower Changes:

For a recourse Mortgage Loan, the addition or deletion of a co-obligor (without release of all original Borrowers)

6

Modifications related to Transfers and Assumptions:

Modification of permitted and non-permitted Transfers/Assumptions for a non-recourse Mortgage Loan; Fannie Mae review required unless delegated under the Guide or current published Form 4636.TA – Multifamily Asset Management Delegated Transaction: Transfer/Assumption

7

Loan Modifications:

The addition of new covenants or other modifications (not otherwise addressed in this Guidance document) to Loan Documents upon a Transfer/Assumption or for asset management requests, unless permitted by Part V of the Guide

8

Tax Relief Program:

The addition of tax arrangement (i.e., Tax Exemption or Tax Abatement , Payment in Lieu of Taxes (PILOT) or Tax Increment Financing (TIF)) where the mortgaged property benefits from an elimination or reduction in property taxes given no new events of default or changes to affordability.

Mortgage Loan or collateral changes that are not permitted:

In ~~Addition~~addition to the list above applicable to all MBS, FIT MBS have additional restrictions~~:~~

- ~~For a non-recourse Mortgage Loan, the addition of a new non-recourse carve-out resulting in full personal liability for the Mortgage Loan (Note: A new non-recourse carve-out that results in personal liability based on the Lender's loss would be permitted);~~
- ~~Changing a non-recourse Mortgage Loan to recourse, or a recourse Mortgage Loan to non-recourse;~~
- ~~For a recourse Mortgage Loan, any Transfer/Assumption, or any release of the original Borrowers and other obligors;~~
- ~~Modification of original affordability restrictions for an MAH Property, or the conversion of the Property from Conventional to Affordable;~~

1. The addition of a new non-recourse carve-out resulting in full personal liability for the Mortgage Loan
   (Note: A new non-recourse carve-out that results in personal liability based on the Lender's loss would be permitted.)
2. Changing a non-recourse Mortgage Loan to recourse, or a recourse Mortgage Loan to non-recourse
3. Any Transfer or Assumption, or any release of the original Borrowers and other obligors
4. Modification of original affordability restrictions for an MAH Property, or the conversion of the Property from Conventional to Affordable

Additional Resources

- Additional Disclosure Guidance (Form 4098)~~;~~
- Affordable Housing Data Guidance Job Aid~~;~~
- Data Guidance for Cross Defaulted and Cross Collateralized Mortgage Loans Job Aid~~;~~
- ~~Multifamily Required Trade Information (Form 4097)~~Multifamily Required Trade Information (Form 4097.ARM, Form 4097.Fixed)
- ~~Prospectus~~
- ~~Master Trust Agreement; and~~
- DUS Disclose – To look up information on a specific security.
- ~~*P~~MBS Prospectuses - Multifamily~~s~~ – To review the P~~p~~rospectus templates. Please refer to the specific Prospectus associated with the at-issuance disclosure for the MBS.
- ~~*Master~~ MBS Trust Agreements~~t; –~~ ~~t~~To review the historical trust agreements. Please refer to the specific Trust Agreement associated with the at-issuance disclosure for the MBS.
- **Contact your Fannie Mae Deal Team or Asset Manager with transaction-specific questions and requests.**