Following a catastrophic event, including weather-related disasters, Fannie Mae relies on our servicers to implement our disaster relief policy. We require servicers to assess property damage and the needs of borrowers in order to provide appropriate relief. In addition, whether the event impacts a single building or a large geographical area, each loan is addressed on a case-by-case basis by our internal business teams, as required by our role as the special servicer.

As described in our Multifamily MBS Prospectuses, Fannie Mae will advance timely payments of principal and interest to investors in the event the loan becomes delinquent. Our guaranty also applies to securities backed by loans on properties that are affected by catastrophic events regardless of a property’s ability to support monthly mortgage payments. There will be no delay in payments to holders of the MBS as we guarantee these payments. If the delinquency cures and the loan becomes current, the MBS will remain outstanding. If a loan continues to be delinquent, Fannie Mae may purchase the loan out of the MBS trust, resulting in a full prepayment of principal at par and any accrued interest due on the date of the prepayment.

1. How can I identify the multifamily properties that were affected or determine if the security that I own is impacted by a catastrophic event?

Fannie Mae provides certain property geographical information on the DUS Disclose™ website on fanniemae.com. Investors can determine the likelihood of impact by comparing the location of the catastrophe to the disclosed location of the property backing the security.

2. Does Fannie Mae provide updated information about the properties affected by a catastrophic event and the related securities?

Investors can find the most recently available operating information for the properties backing their MBS on Fannie Mae’s DUS Disclose website. Data available can include ongoing Net Cash Flow (NCF) and Debt Service Coverage Ratio (DSCR). Fannie Mae publishes a Loan Level Delinquency Report that lists any loans that are at least 60-days delinquent, allowing investors to monitor the performance of their security.

When a catastrophe occurs, Fannie Mae works to understand the impact to the affected properties in the troubled area by working with our network of servicers. Once we receive sufficient information to determine the impact on a mortgaged property, we will determine if it is appropriate to provide any additional information other than the ongoing performance information provided. If we determine that circumstances warrant additional information, we will publish such information on the DUS Disclose website on fanniemae.com.
3. **After a catastrophe occurs, what are the prepayment implications for the loans backed by the affected properties?**
   As we disclose in our Multifamily MBS Prospectuses, if a property is damaged and receives insurance proceeds, there are generally three possible outcomes:
   
a. The borrower could use the insurance proceeds to make repairs on the property. There would be no prepayment of the MBS, and investors would continue to receive their scheduled principal and interest payments.
   
b. In cases where there is partial damage that only affects a portion of the mortgaged property, insurance proceeds could be used to partially prepay the loan. If this occurs, the related MBS is partially prepaid, no prepayment premium is paid by the borrower and the loan may be re-amortized to reduce the monthly payment on the mortgage.
   
c. In cases where damage is more significant, the borrower may use the insurance proceeds to pay off the mortgage loan in full. If this occurs, the loan backing the MBS is fully prepaid and no prepayment premium is collected or passed through to MBS investors.

   As a general rule, if a property’s value is reduced by 5% or more as a result of a catastrophic event, Fannie Mae, at its discretion, may remove the loan from the MBS trust and prepay the loan backing the security without a prepayment premium. In determining whether to remove a loan from an MBS trust following a casualty, we consider many factors, including the potential for the property to continue to support the loan, the need for the loan to be restructured, the interests of MBS investors and other relevant factors.

4. **What happens if a property is affected by a catastrophic event that is not covered by insurance?**
   When a catastrophe occurs, Fannie Mae works to understand the impact on the affected properties in the troubled area by working with our network of servicers. If a property suffers a catastrophic event that is not covered by insurance, Fannie Mae will continue to work with the borrower. In the meantime, Fannie Mae will advance timely payments of principal and interest to the MBS investor on the MBS backed by the underlying loan in the event of loan level delinquency.

5. **What is Fannie Mae’s policy on purchasing loans from the trust that have become delinquent as a result of a catastrophic event?**
   Loans that become delinquent after being affected by a catastrophic event receive the same treatment as loans that become delinquent for other reasons. As stated in our Multifamily MBS Prospectuses under Optional Purchase by Issuer, Fannie Mae has the right, but not the obligation, to purchase a delinquent loan out of the MBS trust (resulting in a prepayment at par) when the loan becomes four (4) months delinquent. Fannie Mae is generally obligated to purchase the loan after 24 consecutive missed payments.

6. **What form of disaster relief has Fannie Mae made available for those affected by Hurricanes Harvey, Irma, and Maria in the 2017 hurricane season?**
   For properties that were affected by the aforementioned hurricanes, Fannie Mae has allowed its multifamily servicers to grant forbearance from loan payments for a period not to exceed three (3) months, unless further extensions are granted by Fannie Mae.
During the forbearance period, our servicers are required to work with borrowers to assess damage, file insurance claims and make other preparations to respond to the damage. Following the end of the forbearance period, the borrower is required to bring the loan current either (i) within twelve (12) months or (ii) upon receipt of insurance proceeds by the borrower or servicer, whichever occurs first. During the forbearance period, Fannie Mae refrains from taking any adverse action against the borrower for loan delinquency; however, the loan is reported as delinquent in the ongoing disclosure for the related MBS. Generally, loans in forbearance related to the Hurricanes will stay in the MBS and Fannie Mae will continue to make scheduled payments of principal and interest on the MBS pursuant to our guaranty. Upon completion of the forbearance period, the loan will be evaluated on a case-by-case basis and may be removed from the MBS depending on delinquency status or other factors.

For questions, please contact the Fannie Mae Investor Help Line at 1-800-232-6643, or send us an e-mail.