New Multifamily Mortgage Loan Documents

Date: March 11, 2011
To: Multifamily Lenders
From: Brian S. McEvoy, Associate General Counsel
Subject: Guide Update 11-03 | 2011 Fannie Mae Multifamily Form Mortgage Loan Documents

HIGHLIGHTS

- Revisions to the 2011 Fannie Mae Multifamily form Mortgage Loan documents
- Extension of Mandatory Use Date for the 2011 Fannie Mae Multifamily form Mortgage Loan documents

Guide Update 11-01 announced the publication of the 2011 Fannie Mae Multifamily Mortgage Loan documents (the “2011 Loan Documents”) and required that the 2011 Loan Documents be used for all Mortgage Loan commitments issued on or after April 1, 2011 (the “Mandatory Use Date”).

Since the publication of the 2011 Loan Documents, we have received additional comments to some of the new forms. We have reviewed the comments and have made revisions to address certain of the comments. Affected forms will be re-published on efanniemae.com on or about March 15th (a separate announcement of publication will be issued). The changes include:

- Changing the financial reporting requirement for Guarantors and Key Principals to annual (instead of quarterly);
- Eliminating the interest-bearing account requirement for the Repairs Escrow Account;
- Limiting the scope of the fraud recourse carve-out by removing gross negligence and willful misconduct;
• Limiting Lender’s right to obtain a credit report on Borrower, Key Principal or Guarantor to once every 12 months (however, Lender retains the rights to obtain a Credit Score at any time at Lender’s expense); and
• Revising certain California-specific provisions of the Guaranty of Non-Recourse Obligations, and Guaranty (Payment), regarding partnership Borrowers.

In order to provide Lenders with additional time to confer with their Borrowers and to prepare for usage, we are delaying the Mandatory Use Date for the 2011 Loan Documents to June 1, 2011. For clarity, the date a commitment is issued is the date Fannie Mae confirms the commitment (not Lender’s submission). Except for the change to the Mandatory Use Date and the clarification of the commitment issuance date, Guide Update 11-01 remains in full force and effect.

In addition, we have received requests for additional training sessions on the 2011 Loan Documents. To accommodate this request, we will hold two additional webinar training sessions on March 22\textsuperscript{nd} and March 24\textsuperscript{th}, at 2 p.m. (ET). Details for registration will be provided separately.

If you have questions regarding this Guide Update or the 2011 Loan Documents, please contact your Deal Team or either of the following individuals:

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