Multifamily Mortgage Business Lender Letter 14-10

September 29, 2014

To: Multifamily Lenders

From: Thomas Wilson, Vice President, Multifamily Partner Risk Management

Subject: Lender Letter 14-10 | Changes to Lender Contractual Relationship Requirements for Multifamily Lenders

HIGHLIGHTS

Fannie Mae has made some changes to the Lender Contractual Relationship Requirements for Multifamily Lenders relating to Guide Update 14-06.

Introduction

Guide Update 14-06 announced changes relating to (i) the consolidation of certain Multifamily Mortgage Selling and Servicing Guide (“Guide”) requirements into the new DUS® Capital Calculation Requirements form (Form 4165); (ii) anti-money laundering requirements of the Bank Secrecy Act; (iii) new Certificate of Corporate Debt Compliance (Form 4202); (iv) Conflict Mortgage Loan sales to Fannie Mae; (v) outsourcing agreement requirements; and (vi) business-level remedies in response to Lender Contract breaches. The changes announced in Guide Update 14-06 were effective August 25, 2014. The purpose of this letter is to advise all Lenders that Fannie Mae has extended the deadline for compliance with certain sections of updated Part II. However, nothing in this letter should be construed to defer the effective date of provisions addressing the anti-money laundering requirements of the Bank Secrecy Act.

Some Lenders have informed Fannie Mae that they might be unable to complete verification of their compliance with Part II Sections 109, 408, 505.01, 509.02.J, 509.02.K, 510.03, 511, 511.05, 801, or 803 (the “Deferred Compliance Sections”), none of which is related to anti-money laundering, prior to the end of Q3 2014. Accordingly, Fannie Mae will not require immediate compliance with any of those sections. Fannie Mae will advise Lenders in writing at least 60 days before Fannie Mae commences enforcement of compliance with any of the Deferred Compliance Sections. Until Fannie Mae informs Lenders that such compliance will be enforced, Lenders will be deemed compliant if they comply with the Deferred Compliance Sections as they were in effect prior to August 25, 2014. With respect to any Deferred Compliance Section that was not included in the Guide prior to August 25, 2014, no compliance will be required until further notice from Fannie Mae as described above.

Contact Us

If you have any questions, please do not hesitate to call Tom Wilson at (202)-752-2235 or Sara Todd at (202)-752-5860.