Multifamily Mortgage Business Lender Letter 15-07

April 15, 2015

To: Multifamily Lenders

From: Brad Lefkowitz, Associate General Counsel
       Jena Watson, Associate General Counsel

Subject: Fannie Mae Multifamily Annotated Loan Agreement v2.0
         New Delegated Authority for Loan Agreement Modifications

HIGHLIGHTS

Fannie Mae announces:
- the availability of version 2.0 of the Annotated Multifamily Loan and Security Agreement ("Annotated Loan Agreement"); and
- new delegated authority to modify the Multifamily Loan and Security Agreement (Non-Recourse) (Form 6001.NR) ("Loan Agreement").

We are pleased to announce the availability of a new version of the Annotated Loan Agreement, an improved tool designed to foster efficient interaction among Lenders, their counsel, and Fannie Mae with respect to modifications to the Loan Agreement on a transactional basis. Additionally, this Lender Letter confers new delegated authority to modify the Loan Agreement pursuant to the Annotated Loan Agreement. As with the initial version of the Annotated Loan Agreement, this document may not be distributed to anyone other than DUS Lenders and their counsel.

Applicability

The Annotated Loan Agreement and the delegated authority conferred by this Lender Letter are applicable to conventional DUS Mortgage Loans documented on Form 6001.NR, but not to Credit Facilities, Bulk Deliveries, Credit Enhancement Mortgage Loans, or Seniors Housing Loans.
New Delegated Authority for Loan Agreement Modifications

This Lender Letter and the Annotated Loan Agreement affect Loan Agreement modifications as follows:

- All Lenders are delegated the authority to use the alternative language from the Annotated Loan Agreement for Category 2 modifications, if deemed appropriate by a Lender for a specific transaction, notwithstanding the fact that such modifications may affect Restricted Provisions. Category 2 modifications using the same or materially unchanged language from that appearing in the annotations do not need to be included in the Modification Memo, but must appear in the cumulative blackline of the Loan Agreement submitted to Fannie Mae;
- Category 1 modifications (and Category 2 modifications not addressed in the annotations) are not affected by this Lender Letter. Lenders must continue to follow the process for business and credit waivers set forth in the latest Loan Document delegation memorandum (currently Lender Memo 12-07, as amended by Lender Memo 14-06) and submit proposed non-delegated modifications in the Modification Memo for approval by Fannie Mae;
- Lenders using Performance Differentiation delegation for a particular transaction may utilize the alternative language from the Annotated Loan Agreement for Category 1 and Category 2 modifications on a delegated basis, if deemed appropriate by the Lender for a specific transaction; and
- Priority Borrower Channel Loan Document delegations are not affected by this Lender Letter.

Instructions for Use

The annotations provide guidance on modifications that may be made (and in some instances that may not be made) and alternative language (distinguished in **black bold**) that may constitute appropriate additions or substitutions to the Loan Agreement. For your convenience, the Restricted Provisions of the Loan Agreement are shaded in blue. Links to FannieMae.com, AllRegs, the Fannie Mae Multifamily Selling and Servicing Guide, Lender Memos, the Multifamily MBS Base Prospectus, and other resources are also included. Note that in order to link to a page in the Guide you must have AllRegs open on your computer.

The annotations appear as endnotes in the document, which may be accessed by hovering over the endnote number in the body of the document or by scrolling to the endnote section at the end of the document. Double-clicking an endnote number (either in the body of the document or in the endnote section) allows you to toggle back and forth between the document text and its associated endnote.

Training

Multiple opportunities for training on the use of the Annotated Loan Agreement will be available to Lenders and their counsel, including at the Legal Issues Forum on May 18, 2015, and in the forthcoming online training module that will be discussed at the Legal Issues Forum. Lenders and their counsel are encouraged to submit questions in advance to bradley_lefkowitz@fanniemae.com so that ample response time may be allotted at the meeting.

Effective Date
The Annotated Loan Agreement may be used immediately.

**Superseded Transmittals**

This Lender Letter retires and supersedes Lender Letter 14-11 in its entirety.

**Questions**

If you have questions regarding this Lender Letter or the Annotated Loan Agreement, please contact Brad Lefkowitz at bradley_lefkowitz@fanniemae.com or (202) 752-2021, Jena Watson at jena_q_watson@fanniemae.com or (202) 752-7442, or another member of the Fannie Mae Multifamily Legal team.