Multifamily Mortgage Business Lender Letter 17-04

April 10, 2017

To: Multifamily Lenders

From: Michele Evans, Senior Vice President and Multifamily Chief Operating Officer

Subject: Lender Letter 17-04 | Updates to Multifamily MBS Additional Disclosure Guidance (Form 4098)

HIGHLIGHTS

Effective April 24, 2017, Fannie Mae is updating its Multifamily Additional Disclosure Guidance (Form 4098) to reflect changes being made to the cross relationship edit in the Commitment and Delivery (C&D) system, and to update additional disclosure characteristics.

Form 4098 Updates

Fannie Mae continues to improve the clarity of our disclosure to investors in our securities. We are making changes to our Additional Disclosure guidance to better reflect information on crossed transactions and clarify language for other existing characteristics. Updated Additional Disclosure guidance includes the following:

- Cross-Defaulted/Cross-Collateralized – a system edit in C&D requiring a Mortgage Loan with any cross relationship to have Additional Disclosure is being removed. Guidance provided for crossed relationships that still require Additional Disclosure;
- Mezzanine Financing or Preferred Equity – guidance for entering data for Mortgage Loans with Hard Preferred Equity;
- Non-Standard Open Period, Due on Sale, Revenue and Expenses (including Tax Abatements), and Transfer/Assumption with Economic Tests – guidance updated;
- Multifamily Affordable Housing (MAH) Property and Seniors Housing Property value – guidance consolidated under Property Value;
- MFlex (Non-DUS) – guidance moved to Systems Additional Disclosure section; and
- Principal Amortization – 4000 series loan documents - removed as a non-standard Mortgage Loan characteristic.

Superseded Lender Letters

This Lender Letter supersedes Lender Letter 16-10.

Effective Date
This Lender Letter is effective for commitments submitted on or after April 24, 2017.

Contact Us

Please contact Patty Lafean at 202-752-6240 or patty_l_lafean@fanniemae.com with any questions.

Associated Documents

The clean versions of Form 4098 are available at fanniemae.com/multifamily.

- Multifamily Additional Disclosure Guidance Form (Form 4098) (Blacklined Version)