Multifamily Mortgage Business Lender Letter 18-01

January 24, 2018

To: Multifamily Lenders

From: Amr Fawzi, Director, Multifamily Credit Risk Management

Subject: Guarantor Financial Reporting

HIGHLIGHTS

Effective January 24, 2018, Fannie Mae is pre-approving a waiver for Servicers unable to obtain the annual guarantor financial statements for any Mortgage Loan not included in the Servicer’s list of required 2017 guarantor financial reporting.

Changes

To increase Servicer delegation and simplify financial reporting requirements, the most recent update of the form Multifamily Loan Agreement (published December 25, 2017 with Lender Letter 17-25) eliminated the mandatory financial reporting requirement for guarantors. For all Mortgage Loans using the revised Multifamily Loan Agreement, guarantor financials are only required at the Lender’s request.

The process for existing Mortgage Loans is also changing. By February 5, 2018, Fannie Mae will provide the Servicer with a Required Guarantor List of Mortgage Loans for which the Servicer must submit the 2017 annual financial records for each guarantor. These guarantor records must be submitted to the mf_operatingstatements@fanniemae.com mailbox by the same June 1 deadline required for the annual Financial Analysis of Operations reports (Form 4254) for each Property.

For existing Mortgage Loans, although the Loan Documents still require the Borrower to submit annual financial information for each guarantor, the Servicer is only required to use its best efforts to obtain the financial reports for any guarantor not included on the Required Guarantor List. For these loans, if the Servicer is unable to obtain the guarantor’s financial records, Fannie Mae pre-approves a waiver if the Servicer:

- executes a Waiver Request using the attached template;
- attaches a list of all Mortgage Loans needing the waiver with the following information:
  - Fannie Mae Mortgage Loan Number;
  - Property Name; and
  - Guarantor Name; and
- submits the Waiver Request to: mf_operatingstatements@fanniemae.com.

A future revision to the Multifamily Selling and Servicing Guide (“Guide”) will eliminate the need for the Servicer to submit a waiver if, after using its best efforts, the Servicer is unable to obtain the guarantor financial reporting for loans not included on the annual Required Guarantor list.
Effective Date
This Lender letter is effective January 24, 2018.

Contact Us
Please contact Amr Fawzi at 202-752-6046, or amr_s_fawzi@fanniemae.com, with any questions.

Associated Documents
- Guarantor 2017 Financial Waiver Request Template