

Enhanced Multifamily DUS® MBS Affordability Disclosures and Additional Information Related to Other Debt Frequently Asked Questions (FAQs)

Q1. Since the enhancement will be effective for DUS MBS with issue dates beginning on or after January 1, 2014, disclosure files could be published in December 2013 that consist of DUS MBS with both December 1, 2013 and January 1, 2014 issue dates. How will this be reflected on the NILCS, Download All Active DUS MBS file, and MBS Export file?

Beginning December 16, 2013, the downloadable files will use the new file formats. It is likely that on certain days on or after December 16, 2013, Fannie Mae's NILCS file will be disclosing data for DUS MBS with issue dates of both December 1, 2013 and January 1, 2014 on the same day. In such instances, the newly added Affordable Housing Type and Other Debt data elements will be published as blank on the NILCS files for DUS MBS with issue dates on or before December 1, 2013. The Low Income Housing Tax Credits data element will be published as a blank on the NILCS file for DUS MBS when the Affordable Housing Type is available.

The Download All Active DUS MBS file and the MBS Export file will operate in a similar manner, displaying blanks for the Affordable Housing Type and Other Debt data elements for DUS MBS with issue dates on or before December 1, 2013. When the Affordable Housing Type is available a blank will be displayed for the Low Income Housing Tax Credits data element for DUS MBS.

Q2. Will disclosures for Negotiated Transactions (NT) be impacted?

The currently available Low Income Housing Tax Credits data element will be added to the Download All Active NT MBS file and the MBS Export file. The Affordable Housing Type data element and Other Debt data elements will be added to the file layouts but will not be disclosed for NT MBS.

Q3. For DUS MBS backed by more than one loan/property, will the Affordable Housing Type data element and Other Debt data elements be available for all loans/properties in the pool?

The Affordable Housing Type data element and the Other Debt data elements, when applicable, will be published for each loan/property backing a DUS MBS on the NILCS file, Download All Active DUS MBS file, MBS Export file, MF SLS user interface, and the Schedule of Pool and

Loan Information. The Affordable Housing Type data element and Other Debt data elements will be added to the Download All Active NT MBS file layout but will not be disclosed for NT MBS.

The NILCS file will contain additional fields for Record Numbers 5 and 6, one for each loan/property backing the DUS MBS.

For Record Number 5, Field Number 26 (Affordable Housing Type) will be published for each loan/property backing the DUS MBS.

For Record Number 6, Field Numbers 15 (Other Debt Note Rate Floor), 16 (Other Debt ARM Margin), and 17 (Other Debt Interest Only End Date) will be published for each additional loan that is associated with the DUS loan backing the DUS MBS, when applicable.

The Download All Active DUS MBS file and the MBS Export file will contain an additional line for each loan/property backing the MBS with all applicable fields, including the Affordable Housing Type and Other Debt data elements.

The MF SLS user interface and the Schedule of Pool and Loan Information will display all applicable data elements for each loan/property backing the MBS, including the Affordable Housing Type and Other Debt data elements.

Q4. Why are the Affordable Housing Type and Other Debt data elements not available for loans backing certain pools which have issue dates on or after January 1, 2014?

Seasoned loans for which the Affordable Housing Type and Other Debt data elements are not available could be securitized into a DUS MBS which has an issue date on or after January 1, 2014. In such cases, the Low Income Housing Tax Credits data element will be disclosed.

Q5. On the NILCS file layout, why was the name of Record Number 5, Field Number 12 changed from “Tax Credit Indicator” to “Low Income Housing Tax Credits”?

This change was made to align the NILCS data element name with other Fannie Mae disclosures.

Q6. How will the Other Debt data elements be disclosed if they are not applicable?

The MF SLS user interface and the Schedule of Pool and Loan Information will not display these data elements if they are not applicable. They will also appear as blank on the NILCS, Download All Active DUS MBS, Download All Active NT, and Export files.

Q7. Will disclosures for Credit Facilities and Bulk Deliveries be impacted?

No, they will not be impacted. The Affordable Housing Type data element and Other Debt data elements will not be disclosed for Credit Facilities and Bulk Deliveries.

Q8. What are the allowable values for the Affordable Housing Type data element and what do they mean?

The five allowable values are defined as follows:

Low Income Housing Tax Credits: A tax credit provided to the owner of a residential rental property that meets the definition of “qualified low-income housing project” set forth in the Internal Revenue Code. The property must comply with the tenant income restrictions that are disclosed and may be subject to rent restrictions.

Project Based HAP: The residential rental property is subject to a Housing Assistance Payments contract between the property owner and a Public Housing Authority or similar entity for the provision of tenant rental assistance, for some or all of the property’s units, under Section 8 of the United States Housing Act of 1937. The property must comply with the tenant income restrictions that are disclosed and may be subject to rent restrictions.

Low Income Housing Tax Credits and Project Based HAP: A tax credit provided to the owner of a residential rental property that meets the definition of “qualified low-income housing project” set forth in the Internal Revenue Code. The property is also subject to a Housing Assistance Payments contract between the property owner and a Public Housing Authority or similar entity for the provision of tenant rental assistance, for some or all of the property’s units, under Section 8 of the United States Housing Act of 1937. The property must comply with the tenant income restrictions that are disclosed and may be subject to rent restrictions.

Other: The residential rental property is subject to the tenant income restrictions that are disclosed and may be subject to rent restrictions. The restrictions may be imposed by a contract other than a Housing Assistance Payments contract or may have been imposed for a period of time longer than the term of the Low Income Housing Tax Credits or Housing Assistance Payments contract that previously applied to the property.

Not Applicable: The residential rental property is subject to the tenant income restrictions that are disclosed and may be subject to rent restrictions, but either too few of the units are subject to the tenant income restrictions required for a property to be considered Multifamily Affordable Housing as defined by Fannie Mae, or the tenant income restrictions relate to income levels higher than those required for a property to be considered Multifamily Affordable Housing.

Q9. Will there be narrative information in the prospectus to provide additional detail for the disclosed Affordable Housing Type data element?

Yes, Fannie Mae's Multifamily MBS Prospectus provides users with detailed information about our Multifamily MBS, including a description of the different types of Affordable Housing. For additional detailed information about a specific MBS, please read both the Multifamily MBS Prospectus and the related Prospectus Supplement for that security.