



Tenant Site Lease Protections (TSLPs) FAQs

March 2020

Q1. What is the minimum percentage of sites with lease protections needed to qualify for incentives?

At a minimum, the Borrower must implement Tenant Site Lease Protections at 50% of the sites on the Property.

Q2. What options does the Borrower have for implementation of the TSLPs on Refinance and Purchase transactions.

The Borrower can implement the TSLPs by either:

1. *Amendment to the Park's Rules and Regulations* in states where permitted and subject to compliance with state laws for amending the MHC's Rules and Regulations). The Borrower's current site lease form must incorporate by reference the Community's posted Rules and Regulations.
2. *Dually executed lease addendum/ rider* if incorporation by amendment to the MHC's Rules and Regulations is not permitted by state law.

Q3. When do the leases have to be modified?

Fannie Mae will allow the Borrower up to 12 months from the Mortgage Loan Origination Date to modify the site leases.

Q4. How does Fannie Mae verify that the protections are now in place in the community?

No later than 12 months after the Mortgage Loan Origination Date, the Borrower must provide written certification to Fannie Mae that at least 50% of the site leases include the TSLPs. The certification must be emailed to:

MHC_TSLP_Certification@fanniemae.com.

Q5. Are all Lenders eligible to participate?

All Lenders that are approved to deliver Mortgage Loans secured by a Manufactured Housing Community can utilize this feature.

Q6. Can this feature be used with a Credit Facility?

Yes, Credit Facilities are eligible for the TSLP feature. Due to unique characteristics of the Credit Facility execution, each Borrower in the Credit Facility needs to ensure TSLPs are incorporated at a minimum of 50% of sites at **each** community. The following steps will be followed to process Credit Facilities with TSLPs.

1. Pricing (Guaranty Fee and Servicing Fee) is held for a closing date.

Borrower certifies in writing no later than (i) 12 months of the initial advance date, and (ii) 12 months after on each subsequent date on which a new Property is included in the Credit Facility, whether by Borrow-Up or substitution of collateral, the number of sites that have the protections at each Property.

Q7. What are the incentives for implementing TSLPs?

TSLP product feature offers a pricing incentive of 15 bps (split evenly between Guaranty Fee and Servicing Fee) and reimbursement of third-party report costs up to \$10,000 per community to MHC Borrowers who implement the minimum TSLPs as required under the FHFA Duty to Serve rule.



Q8. Which third party report costs can be reimbursed?

- Zoning report (Form 4829);
- Property Condition Assessment;
- Appraisal; and/or
- Environmental Assessment.

Note that Fannie Mae cannot reimburse partial cost of monthly subscription services, such as CoStar fee and credit reports. Fannie Mae will not reimburse other costs such as fees for expediting a report.

Q9. How do I request the reimbursement for third party report expenses?

1. Request an invoice from the vendor with the report cost listed as a separate line for each report.
2. Complete PDF Form 4829 with Lender information, either Fannie Mae commitment number or Fannie Mae loan number, Property information, and wiring instructions.
3. Confirm that the loan narrative in DUS Gateway™ references the percentage of sites with lease protections on the property (must be 50% or greater).
4. Deliver the Mortgage Loan to Fannie Mae then sign and email the completed PDF Form 4829, along with all report invoices, to:
mhc_report_reimbursement@fanniemae.com.
5. Fannie Mae will reimburse within 60 days of receipt of supporting documentation.

NOTE: All Reimbursement requests must be submitted within 30 days of the Mortgage Loan Delivery Date.

Q10. What language must be incorporated into the lease rider/amendment or the Rules and Regulations of the MHC to ensure the TSLPs are properly implemented?

1. The term of Rental Agreement shall be for one year, commencing on the date of original Rental Agreement, and continuing for twelve months, unless sooner terminated as provided in the Rental Agreement or pursuant to the Community Rules as applicable, and renewable at the option of Tenant unless good cause exists for nonrenewal.
2. Tenant shall have a five (5) day grace period after the due date for the payment of the site lease rent.
3. Tenant shall have the right to cure defaults for nonpayment of the site lease rent.
4. Landlord shall provide Tenant a minimum of 30 days written notice prior to any increase in the site lease rent.
5. Landlord agrees to provide Tenant no less than 60 days written notice prior to any planned sale or closure of the Community.
6. If Tenant is evicted from the Community, Tenant shall have the right to sell their manufactured home in place within 45 days after the eviction.
7. Tenant may post “for sale” signs on their manufactured home, of such size and at such locations as may be reasonably required by Landlord. Tenant may sell their manufactured home without having to first relocate it out of the Community.
8. Tenant may sublease their manufactured home or assign the Rental Agreement to a buyer of the manufactured home, provided the buyer or sublessee meets the Landlord’s minimum rules, regulations, and credit quality.



9. Except as specifically modified by this Addendum, Tenant and Landlord expressly agreed that all of the terms, conditions, and provisions in the Rental Agreement and Community Rules shall remain in full force and effect.

(Please contact Jose Villarreal at Jose_g_villarreal@fanniemae.com if you would like a sample lease rider with the protections.)

Q11. Are there audit requirements that the Lender is required to complete?

Yes, the Lender is required to complete an annual lease audit. Each audit must include 25% of the leases with TSLPs to ensure compliance. Results of the audit must be maintained in the Lender's Servicing File.