



Multifamily Mortgage Business Lender Letter 21-05

November 23, 2021

To: Multifamily Lenders
From: Te-Mika Warner, Deputy General Counsel
Subject: Lender Letter 21-05 – Loan Document Update

HIGHLIGHTS

Fannie Mae is announcing updates to the Loan Documents for Delaware Statutory Trust Borrowers which may be used immediately and must be used for all Mortgage Loans with a confirmed Commitment Date on or after **January 3, 2022**.

Loan Documents for Delaware Statutory Trust (DST) Borrowers

We have revised our Loan Documents to create forms exclusively for use when the borrower for a new loan is a Delaware Statutory Trust. These new documents address concerns raised by some DST borrowers in consideration of the separate nature of the DST borrower from the Master Tenant and should reduce the need for modifications to our Loan Documents. A new Subordination Agreement and a Property Level Assignment of Leases and Rents replaces the existing Tenant Landlord Subordination Agreement for DST borrower transactions.

These new documents require that a lockbox for Mortgaged Property income be in place for the loan to be delivered to Fannie Mae. Lenders should use a form provided or required by the financial institution where the lockbox account will be maintained. A legal enforceability opinion is also required for DST borrower transactions.

Transactions with DST borrowers have previously been documented on our existing Master Lease forms. Certain of those forms are being republished to delete references to Delaware Statutory Trusts.

Effective Date

The revised Loan Documents may be used immediately and must be used for all Mortgage Loans with a confirmed Commitment Date on or after January 3, 2022.

Contact Us

If you have questions regarding this Lender Letter or the Loan Documents, please contact your Deal Team, or Te-Mika Warner at te-mika_warner@fanniemae.com.



Associated Documents

Clean versions of the revised Loan Documents are available on the [Multifamily Loan Documents](#) page on FannieMae.com. Marked copies are against the prior Master Lease versions as applicable.

6000	Loan Document Requirements	marked copy
6001.NR.DST	Multifamily Loan and Security Agreement (Non-Recourse) (Delaware Statutory Trust)	marked copy
6001.NR.ML	Multifamily Loan and Security Agreement (Non-Recourse) (Master Lease)	marked copy
6101.ARM.DST 5/5 (SOFR)	Schedule 1 to Multifamily Loan and Security Agreement -- Definitions Schedule (Interest Rate Type -- ARM 5/5 (SOFR)) (Delaware Statutory Trust)	marked copy
6101.ARM.ML 5/5 (SOFR)	Schedule 1 to Multifamily Loan and Security Agreement -- Definitions Schedule (Interest Rate Type -- ARM 5/5 (SOFR)) (Master Lease)	marked copy
6101.ARM.DST 7/6 (SOFR)	Schedule 1 to Multifamily Loan and Security Agreement -- Definitions Schedule (Interest Rate Type -- ARM 7/6 (SOFR)) (Delaware Statutory Trust)	marked copy
6101.ARM.ML 7/6 (SOFR)	Schedule 1 to Multifamily Loan and Security Agreement -- Definitions Schedule (Interest Rate Type -- ARM 7/6 (SOFR)) (Master Lease)	marked copy
6101.FR.DST	Schedule 1 to Multifamily Loan and Security Agreement -- Definitions Schedule (Interest Rate Type Fixed Rate) (Delaware Statutory Trust)	marked copy
6101.FR.ML	Schedule 1 to Multifamily Loan and Security Agreement -- Definitions Schedule (Interest Rate Type Fixed Rate) (Master Lease)	marked copy
6101.SARM.DST (SOFR)	Schedule 1 to Multifamily Loan and Security Agreement -- Definitions Schedule (Interest Rate Type -- Structured ARM (SOFR)) (Delaware Statutory Trust)	marked copy
6101.SARM.ML (SOFR)	Schedule 1 to Multifamily Loan and Security Agreement -- Definitions Schedule (Interest Rate Type -- Structured ARM (SOFR)) (Master Lease)	marked copy
6317.DST	Modifications to Security Instrument (Delaware Statutory Trust Master Lease Transactions)	marked copy
6317.ML	Modifications to Security Instrument (Master Lease Transactions)	marked copy
6401.DST	Opinion of Borrower's Counsel on Origination of Delaware Statutory Trust Mortgage Loan With Enforceability Opinion	marked copy
6405.DST	Assignment of Management Agreement (Delaware Statutory Trust)	marked copy
6405.ML	Assignment of Management Agreement (Master Lease)	marked copy
6405.ML.ALT	Assignment of Management Agreement (Master Lease-Alternate)	marked copy
6446.ML	Subordination, Assignment and Security Agreement (Master Lease)	marked copy
6449.DST.Borrower	Schedule A to UCC Financing Statement (Borrower) (Delaware Statutory Trust)	marked copy
6449.DST.Master Tenant	Schedule A to UCC Financing Statement (Master Tenant) (Delaware Statutory Trust)	marked copy
6449.ML.Borrower	Schedule A to UCC Financing Statement (Borrower) (Master Lease)	marked copy
6468.ML	Tenant/Landlord Subordination and Assignment Agreement (Master Lease)	marked copy
6469.DST	Master Lessee Estoppel Certificate (Delaware Statutory Trust)	marked copy
6480	Master Lease Review Checklist	marked copy
6480.DST	Delaware Statutory Trust Master Lease Review Checklist	marked copy
6493.DST	Subordination Agreement (Delaware Statutory Trust Master Lease)	
6494.DST	Property Level Assignment of Leases and Rents (Delaware Statutory Trust)	
6502	Multifamily Mortgage Loan Delivery Package Table of Contents	marked copy