Instructions

IRREVOCABLE LETTER OF CREDIT AND SITE DRAFT (AND, IF APPLICABLE, CONFIRMATION OF LETTER OF CREDIT)

For LENDER Letters of Credit (used to satisfy Lender Reserve requirement), use the following pages of this document and any terms highlighted in grey, deleting the terms highlighted in purple

For BORROWER Letters of Credit (used as collateral for a Mortgage Loan), use the following pages of this document and any terms highlighted in purple, deleting the any terms highlighted in grey

Be sure to include Form 4653, Form of Opinion of Counsel to Issuer of Letter of Credit (and, if applicable, confirmation of letter of credit) whenever a Letter of Credit is used to satisfy Lender Reserve requirements per the Lender Contract.

**Delete the above instructions and any highlighting once form structure is completed**

IRREVOCABLE LETTER OF CREDIT NO. \_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_

Fannie Mae

c/o U.S. Bank National Association

1 Federal Street

Boston, Ma. 02110

Attention: Corporate Trust

Fannie Mae DUS Account Officer

Fannie Mae

Multifamily Certification and Custody Team

13150 Worldgate Drive

Mail Stop:  5H-2W/01

Herndon, VA 20170

To Whom It May Concern:

For the account of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, [name of account party/customer] we hereby open in your favor our Irrevocable Letter of Credit No. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Credit”) for an amount not exceeding a total of U.S. $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, effective immediately and expiring on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_ (the “Termination Date”).

Funds under this Credit are available to you or to U.S. Bank National Association, your collateral agent and bailee, against either one of your against your sight draft(s) on us, completed in substantially the form attached as Schedule A, for all or any part of this Credit. If, for any reason, we cannot determine the order in which any draft is presented to us, payment will be made only to Fannie Mae.

We will promptly honor all drafts drawn in compliance with the terms of this Credit if received on or before the Termination Date at:

[Insert Bank’s Address]

Drafts presented at our office at the address set forth above no later than 10:00 a.m. shall be honored on the date of presentation, by payment in accordance with your payment instructions that accompany each such draft. If requested by you, payment under this Credit may be made by wire transfer of immediately available funds to your account as specified in your instructions, or by deposit of same day funds in a designated account that you maintain with us or at another financial institution located in the same (or a later) time zone. All drawings under this Credit will be paid with our own funds.

This Credit shall be governed by and subject to the Uniform Customs and Practice for Documentary Credits (2007 revision), International Chamber of Commerce Publication No. 600 (“UCP 600”), and to the extent not inconsistent with the UCP 600, the laws of the State of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [state in which the LOC issuer has its principal office].

Sincerely,

[Name of Bank]

By:

Name:

Title:

Form of Sight Draft

Form of Sight Draft (Evergreen)

**IRREVOCABLE LETTER OF CREDIT NO. \_\_\_\_\_\_\_\_**

**SIGHT DRAFT**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_

[Insert Name and Address of Bank]

Pay on demand to Fannie Mae or to U.S. Bank National Association, as collateral agent and bailee of Fannie Mae, the sum of U.S. $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. This draft is drawn under your Irrevocable Letter of Credit No. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

FANNIE MAE

By:

Name:

Title:

or

U.S. BANK NATIONAL ASSOCIATION, as

collateral agent and bailee of Fannie Mae

By:

Name:

Title: