Fannie Mae

COUNSEL DESIGNATION REQUEST FOR
INTEREST RATE HEDGE TRANSACTIONS

Instructions

This form (and all required schedules) must be completed and submitted no later than:

- for an initial Interest Rate Cap:
  - Twenty (20) Business Days prior to the anticipated Interest Rate Cap purchase date for any Mortgage Loan in a Credit Facility or a portfolio; or
  - Ten (10) Business Days prior to the anticipated Interest Rate Cap purchase date for any other Mortgage Loan and
- for a replacement Interest Rate Cap:
  - Thirty five (35) calendar days prior to the anticipated Interest Rate Cap purchase date for any Mortgage Loan in a Credit Facility or a portfolio; or
  - Thirty (30) calendar days prior to the anticipated Interest Rate Cap purchase date for any other Mortgage Loan.

Note: In all cases Counsel must receive a draft bid sheet approved by Lender/Servicer and Borrower no later than five (5) Business Days after submission of this form.

Please return this form to the Fannie Mae Multifamily Legal Department at counsel_designations@fanniemae.com

Date

Lender

Contact

Phone

Email

Project and Property Information

1. Project Name

2. Borrower Name

3. Mortgaged Property Address

Street

City

State

Zip

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4. EIN

5. Key Principals

To allow Counsel to run a check of potential legal conflicts, Lender must attach organizational charts for Borrower and all Key Principals to this Counsel Designation Request as Schedule 1.

6. Type of Fannie Mae Transaction

A. (Select One)

- (●) Structured ARM Loan
- ( ) Variable Rate Credit Enhancement Mortgage Loan

B. (Select One)

- ( ) Non-Credit Facility
- (●) Credit Facility

7. Type of Interest Rate Cap Transaction (Check One)

- ( ) Initial Interest Rate Cap
- ( ) Replacement of existing SOFR Interest Rate Cap
- (●) Replacement of existing LIBOR Interest Rate Cap
- ( ) Replacement of existing SIFMA Interest Rate Cap

8. Schedule 2 must be completed with the Essential Interest Rate Cap Terms at the time this request is submitted. [**Note**: Failure to timely submit this request or failure to include all Essential Rate Cap Terms at the time of submission shall result in a premium on the legal fees required to document this Interest Rate Cap.]

9. Lender must attach the underlying documents required on Schedule 3.

10. Other Counsel

Lender's Counsel	Borrower's Counsel
Phone	Phone
Email	Email

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10. Lender must ensure that the term sheet for any initial Interest Rate Cap or replacement Interest Rate Cap is in the form attached as Schedule 4.

THE LENDER CONFIRMS THAT IT HAS ACCURATELY DESCRIBED THE UNDERLYING TRANSACTION AND REQUEST FOR FANNIE MAE TO RETAIN COUNSEL TO PROVIDE LEGAL SERVICES. BY INSERTING ITS NAME BELOW AND SUBMITTING THIS FORM, THE LENDER AGREES TO PAY THE FEES AND EXPENSES OF FANNIE MAE'S DESIGNATED COUNSEL IN ACCORDANCE WITH THE GUIDE.

Lender

Name

Title

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SCHEDULE 1

ORGANIZATIONAL CHART

[See attached]

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SCHEDULE 2

ESSENTIAL INTEREST RATE CAP TERMS

Complete the following for initial Interest Rate Caps:

Estimated transaction closing date: [ ]

Estimated original Loan Amount
(or Advance Amount for Credit Facilities) [ ]

Estimated Interest Rate Cap purchase date [ ]

[**Note**: The initial Interest Rate Cap must be purchased after spread lock and at least two (2) Business Days prior to closing.]

Initial Interest Rate Cap Terms

Index [SOFR]

Estimated Interest Rate Cap notional amount [ ]

Estimated effective date of Interest Rate Cap [ ]

Minimum required Interest Rate Cap term [Years/Months]

Termination date of Interest Rate Cap [ ]

Maximum approved strike rate [%]

Internal Lender/Servicer loan number [ ]

For Credit Facilities

provide the Maximum Calculated Strike Rate [%] [ ] N/A

has Fannie Mae approved the
Maximum Calculated Strike Rate ◯ Yes ◯ No ◯ N/A

[**Note:** For Credit Facilities, if the Maximum Calculated Strike Rate is not known at the time this request is submitted, **this request must be supplemented with the missing information within ten (10) Business Days.**]

Waivers or amendments

Indicate if a waiver of any Guide requirement or
non-standard Loan Document has already been granted ◉ Yes ◯ No

Attach copies of all emails containing waivers or approved amendments received from Fannie Mae as Schedule 5.

Supplement this form with any subsequently granted waivers.

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Complete the following for replacement Interest Rate Caps

Estimated Interest Rate Cap purchase date

[**Note**: Any replacement Interest Rate Cap must be purchased at least five (5) Business Days prior to the termination date of the existing Interest Rate Cap and Delivered to DocWay within ten (10) Business Days of purchase of the replacement Interest Rate Cap.]

Existing Interest Rate Cap Terms

Termination date of existing Interest Rate Cap

Notional amount of existing Interest Rate Cap

Replacement Cap Terms:

Index: SOFR

Spread: N/A

[**Note**: If the terminating Interest Rate Cap is a LIBOR Interest Rate Cap, the replacement Interest Rate Cap must be indexed to SOFR plus a spread (0.11448% or 11.448 basis points). If the terminating Interest Rate Cap is a SOFR Interest Rate Cap, the replacement Interest Rate Cap will be indexed to SOFR with no spread.]

Unpaid principal balance of Mortgage Loan on effective date of replacement Interest Rate Cap

Notional amount of replacement Interest Rate Cap

Effective date of replacement Interest Rate Cap

Minimum required Interest Rate Cap term Years/Months

Termination date of replacement Interest Rate Cap

Maximum approved strike rate %

For Credit Facilities

provide the Maximum Calculated Strike Rate: % ☐ N/A

has Fannie Mae approved the Maximum Calculated Strike Rate: Yes ◯ No ◯ N/A ◯

[**Note**: For Credit Facilities, if the Maximum Calculated Strike Rate is not known at the time this request is submitted, **this request must be supplemented with the missing information within ten (10) Business Days**.]

Internal Lender/Servicer loan number:

Waivers or amendments:

Indicate if a waiver of any Guide requirement or non-standard Loan Document has already been granted: No

Attach copies of all emails containing waivers or approved amendments received from Fannie Mae as Schedule 5.

Supplement this form with any subsequently granted waivers.

Complete the following for all Interest Rate Caps

1. Lender/Servicer bank account information for receiving Interest Rate Cap payments

Name of Bank

Account Number

ABA (routing #)

Name of Account

Reference Lender Loan Number

2. Borrower notice address

Borrower Name

Attention

Mailing Address

City

State Zip

Phone

Email

3. Lender/Servicer notice address

Lender/Servicer Name

Attention

Mailing Address

City

State Zip

Phone

Email

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SCHEDULE 3

REQUIRED UNDERLYING DOCUMENTS

(a) For initial Interest Rate Cap, attach the draft Interest Rate Cap Reserve and Security Agreement completed with Borrower legal name and signature block(s).

(b) For replacement Interest Rate Caps, attach the applicable executed underlying Interest Rate Cap Reserve and Security Agreement with all attachments (including Interest Rate Cap Agreement). For SIFMA Interest Rate Caps, attach all bond documents (including the Reimbursement Agreement and Hedge Security Agreement).

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SCHEDULE 4

REQUIRED FORM OF TERM SHEET

TO: Participants in SIFMA Interest Rate Cap Negotiated Transaction

CC: Proposed Cap Purchaser

FROM: Cap Broker

DATE:

RE: SIFMA Interest Rate Cap (the "**Cap**") Term Sheet for Cap Purchaser

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Thank you for agreeing to participate in the above referenced Cap transaction for ("**Cap Purchaser**"). This Cap is being purchased to provide interest rate protection for the Cap Purchaser's variable rate mortgage loan as required by [Lender/Servicer] or its successors, as servicer (the "**Servicer**"). You are a Fannie Mae approved Interest Rate Cap provider for this transaction as designated at:

https://multifamily.fanniemae.com/about-multifamily/our-partners/industry-partners.

A term sheet outlining the specific economic details of this transaction is attached.

The Cap must be documented on a form interest rate cap agreement approved by Fannie Mae. Any variations to this documentation must be approved by Fannie Mae before we execute the transaction. Counsel to Fannie Mae is Daniel Danello at Venable LLP, who can be reached for questions at (202) 344-4516 or TeamVenable-RateCaps@Venable.com.

Please note: Telephone conversations may be recorded.

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SIFMA INTEREST RATE CAP

Term SHEET

Counterparty/Cap Purchaser:	
	[INSERT FULL LEGAL NAME OF CAP PURCHASER]
Cap Seller:	Name or N/A
	[INSERT FULL LEGAL NAME OF CAP SELLER, IF KNOWN]
Notional Amount:	USD
	[**Note**: For initial caps, this may not be finalized until after spread
Trade Date	lock.]
Effective Date:	[Must be specified]
Termination Date:	

Fixed Amounts

Fixed Rate Payer (Cap Buyer):	Cap Purchaser
Fixed Rate Payer Payment Dates:	Two (2) Business Days after the Trade Date
Fixed Amount (Transaction Fee):	(To Be Determined)

Floating Amounts

Floating Rate Payer:	Cap Seller
Cap Rate:	%
Floating Rate Payer Payment Dates:	The calendar day of each month

◉ [Floating Rate Option: 30-Day Average SOFR, as published by the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York, or any successor publisher of the secured overnight financing rate (SOFR) published for any day on the website of the Federal Reserve Bank of New York at http://www.newyorkfed.org, or such other source generally used by commercial lenders to obtain SOFR for any day; provided that if the published 30-Day Average SOFR is not available, the rate for that Reset Date will be determined by the Calculation Agent in accordance with the specific formula and other applicable terms and provisions set forth on the website of the Federal Reserve Bank of New York at http://www.newyorkfed.org; further provided that, if an Index Transition Event and its related Index Replacement Date have occurred, then the Floating Rate Option shall mean the Index Replacement determined

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pursuant to Section 32 of the cap agreement. The Index Replacement will replace the Floating Rate Option on such Index Replacement Date and all subsequent dates, subject to any Index Replacement Conforming Changes required upon implementation of any Index Replacement.

Floating Rate Day Count: Actual/360

Reset Dates: The Business Day immediately preceding the first day of each Floating Rate Calculation Period.**]**

OR

◯ **[**Floating Rate Option: USD – SIFMA Municipal Swap Index

Floating Rate Day Count: Actual/Actual

Reset Dates: Effective Date and thereafter weekly on Thursday, provided that the Floating Rate shall be determined on Wednesday of each week, subject to the Following Business Day Convention, and the Floating Rate will be effective for the seven (7) day period from and including the following Thursday (or if Thursday is the day the Floating Rate is determined, from and including such Thursday) to and including the following Wednesday, subject to adjustment in accordance with the Following Business Day Convention.**]**

Floating Rate Spread: ☐ %

[<u>Note</u>: For SOFR caps replacing an existing LIBOR cap add "plus 0.11448% (11.448 basis points)".**]**

Documentation: The interest rate cap must be documented on the then current form rate cap agreement approved by Fannie Mae for the cap provider to be prepared by Fannie Mae counsel. Any variations to this documentation must be approved by Fannie Mae before we execute the transaction. Signed rate cap documents are required to be delivered no later than two (2) business days following the date the cap is purchased.

Cap Buyer Additional Information:

Legal Name: ☐

Tax ID #: ☐

GMEI: ☐

Addresses for Notices: ☐

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SCHEDULE 5

WAIVERS

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