



# Multifamily Mortgage Business Lender Letter 19-03

March 11, 2019

To: Multifamily Lenders  
From: Te-Mika Warner, Associate General Counsel  
Subject: Loan Document Update

## Highlights

Fannie Mae is revising Schedule 2 of the Loan Agreement– Summary of Loan Terms for adjustable rate loans to clarify that an adjustment factor may be applied in determining a new replacement index for LIBOR.

As widely reported, LIBOR is expected to be discontinued as banks will no longer be required to submit the index after 2021. To facilitate a smooth transition to a successor index, our loan documents provide that Lender can choose a replacement index taking into account general comparability to LIBOR and other factors. We are updating the definition of Index in Schedule 2 (Summary of Loan Terms) for adjustable rate loans to clarify that, in choosing a LIBOR replacement index, Lender may apply an adjustment factor to preserve the relative economic positions of Borrower and Lender.

### Effective Date

The revised loan documents may be used immediately and must be used in connection with all loans committed on or after April 15, 2019.

### Contact Us

If you have questions regarding this Lender Letter or the loan documents, please contact your Deal Team or Te-Mika Warner at (202) 752-7367 or [te-mika\\_warner@fanniemae.com](mailto:te-mika_warner@fanniemae.com).

### Associated Documents

The revised Form Loan Documents are available on the Loan Documents page on [fanniemae.com](http://fanniemae.com).

- Multifamily Loan Agreement Schedule 2 - Summary of Loan Terms (Form 6102.ARM) ([blackline only](#))
- Multifamily Loan Agreement Schedule 2 - Summary of Loan Terms (Form 6102.HYARM) ([blackline only](#))
- Multifamily Loan Agreement Schedule 2 - Summary of Loan Terms (Form 6102.SARM) ([blackline only](#))
- Multifamily Loan Agreement Schedule 2 - Summary of Loan Terms (Form 6102.ARM.SRS) ([blackline only](#))
- Multifamily Loan Agreement Schedule 2 - Summary of Loan Terms (Form 6102.SARM.SRS) ([blackline only](#))
- Multifamily Loan Agreement Schedule 2 - Summary of Loan Terms (Form 6102.ARM.IDOT) ([blackline only](#))
- Multifamily Loan Agreement Schedule 2 - Summary of Loan Terms (Form 6102.SARM.IDOT) ([blackline only](#))
- Multifamily Loan Agreement Schedule 2 - Summary of Loan Terms (Form 6102.ARM.ML) ([blackline only](#))
- Multifamily Loan Agreement Schedule 2 - Summary of Loan Terms (Form 6102.SARM.ML) ([blackline only](#))