residential Lease Standards  
Reservation of Rights and demand letter

**[DRAFTING NOTE: PLACE FINAL LETTER ON SERVICER LETTERHEAD. DELETE BRACKETS, DRAFTING NOTES, AND FORM TITLE WHEN PREPARING FOR DISTRIBUTION TO A BORROWER.]**

[DATE]

Via EMAIL: [INSERT BORROWER CONTACT EMAIL ADDRESS]

Via Overnight Courier

[INSERT BORROWER NAME] (“Borrower”)

[INSERT NOTICE ADDRESS FOR BORROWER]

Attention: [INSERT BORROWER CONTACT NAME]

Re: **RESIDENTIAL LEASE STANDARDS**

**RESERVATION OF RIGHTS AND NOTICE OF DEMAND (the “Notice”)**

Property Name: [INSERT PROPERTY NAME]

Property Address: [INSERT PROPERTY ADDRESS]

Loan Number: [INSERT FANNIE MAE OR SERVICER LOAN NUMBER] (the “Loan”)

Multifamily Note (the “Note”) dated as of \_\_\_\_\_\_\_\_\_ in the original principal amount of \_\_\_\_\_\_\_\_\_ made by Borrower, payable to the order of \_\_\_\_\_\_\_\_\_ (“Original Lender”), which Note is secured by, *inter alia*, certain real property more particularly described in the [Multifamily Mortgage/Deed of Trust/Deed to Secure Debt], Assignment of Rents and Security Agreement of even date therewith (the “Security Instrument”) and Multifamily Loan and Security Agreement of even date therewith (the “Loan Agreement”), which Note, Security Instrument and Loan Agreement, together with other loan documents (such Note, Security Instrument and Loan Agreement and other loan documents hereafter referred to as the “Loan Documents”) were assigned from Original Lender to Fannie Mae (“Fannie Mae”) and all of which covering certain real and personal property located at the address set forth above and more particularly described in the Security Instrument (the “Mortgaged Property” or the “Property”). Original Lender is now the servicer of the Loan and may be referred to herein as “Servicer.” Capitalized terms not defined herein shall have the meanings ascribed to them in the Loan Documents.

Dear Borrower,

Notice is hereby given that Borrower has failed to comply with the Loan Documents, specifically, Section [7.02(a)(5)-(7)] of the Loan Agreement pertaining to the Residential Lease Standards, which failure to comply may constitute an Event of Default under the Loan Documents.

Borrower must come into compliance with the Residential Lease Standards by immediately providing to Servicer: (i) a lease form compliant with the Residential Lease Standards; and (ii) copy of written notice to all existing tenants that Residential Lease Standards are in effect at the Property [(i) and (ii) collectively, referred to herein as the “Residential Lease Delivery Requirements”].

Fannie Mae hereby demands that Borrower comply with the Residential Lease Delivery Requirements within 30 days of the date of this letter. Fannie Mae may, in its sole discretion, grant an additional 30 days to comply with the Residential Lease Delivery Requirements if compliance cannot be reasonably achieved within the initial 30-day period cure period. Any additional 30-day extension must be granted in writing by Fannie Mae or Servicer.

Immediately following the expiration of the initial 30-day cure period, or the expiration of the additional 30-day extension period if applicable (referred to as the “Residential Lease Standards Initial Cure Period”), if the Borrower has not provided the Residential Lease Delivery Requirements to Fannie Mae or Servicer in such form that is reasonably satisfactory to Fannie Mae, then Fannie Mae or Servicer may assess and collect Residential Lease Standards Noncompliance Fee in accordance with the Loan Documents.

Following payment of the Residential Lease Standards Noncompliance Fee, if Borrower remains non-compliant with the Residential Lease Standards and has failed to deliver the Residential Lease Delivery Requirements (in such form reasonably satisfactory to Fannie Mae) within 90 days after the expiration of the Residential Lease Standards Initial Cure Period, then an Event of Default will occur under the Loan Documents and interest will accrue at the Default Rate until the Borrower is in compliance with the Residential Lease Standards as determined by Fannie Mae.

Each of the above constitutes separate obligations of Borrower under the Loan Documents and Borrower’s failure to perform any of the above obligations may constitute a separate Event of Default under the Loan Documents.

The Servicer’s or Fannie Mae’s acceptance of any payment on the Loan should not be considered a waiver of any default or a novation, modification, or renewal of the Loan. Notwithstanding the acceptance of any payments or any other amounts at any time by the Servicer, Fannie Mae does not waive any default which may exist under the Loan Documents. Furthermore, acceptance of any payment shall not act as a waiver of, or prevent Fannie Mae from exercising any right, remedy, or power available to Fannie Mae, including, without limitation, all rights, remedies, and powers granted under the Loan Documents and at law or in equity, all of which are expressly reserved.

This written notice is being transmitted as a courtesy to you and is not intended as an admission that any written notice is otherwise due you.

The only agreements that continue to exist between Fannie Mae and you are those set forth in the Note and the Loan Documents, which may only be amended by agreement of the parties executed in writing.

Sincerely,

[INSERT ASSET MANAGER NAME]

cc: [INSERT FANNIE MAE ASSET MANAGER NAME], Fannie Mae

[INSERT SERVICER ASSET MANAGER NAME], [SERVICER NAME]