



Multifamily C&D Release Notes

Release 7.0

April 24, 2017

Multifamily Operations announces the release of Multifamily C&D 7.0 on **May 21, 2017**, with the enhancements described below to support the commitment and delivery of Bond Transactions secured by Credit Enhancement Instruments.

Highlights

- C&D will now support the Committing and Delivery of Bond Credit Enhancements
 - Changes to Commitment and Delivery screens to accommodate Bond Credit Enhancements
 - Credit Enhancement Pipeline
 - Additional Change Request Types
- Additional C&D Modifications

Introduction

C&D release 7.0 provides a single point of entry for all Multifamily flow transactions by moving commitment and delivery functions for Bond Credit Enhancements (BCE) from MCODES to C&D. This release will result in the retirement of MCODES. C&D modifications include the collection of new data for Bond Transactions secured by Credit Enhancement Instruments as well as new business rules to promote increased data accuracy for these transactions. This release also includes two new business rules and minor screen changes for all other transactions delivered through C&D

The table below provides an overview of the Credit Enhancement types impacted by C&D Release 7.0.

Credit Enhancement Type	Impacted with C&D 7.0 Release?	Commitment and Delivery Process
Credit Enhancement Instrument - Closed Indenture	Yes	Lenders should commit and deliver these transactions using the new BCE functionality associated with C&D release 7.0.
Credit Enhancement Instrument - Open Indenture	No	Lenders should continue to commit and deliver these transactions using the Multifamily Mortgage Credit Enhancement functionality currently in place. Open Indentures should continue to be identified using Special Feature Code 834 (Multifamily Mortgage Credit Enhancement)
MBS as Credit Enhancement for Tax Exempt Bond (M.TEB)	No	Lenders should continue to commit and deliver these transactions using the MBS functionality currently in place. M.TEB transactions should continue to be identified using Special Feature Code 832 (Multifamily MBS as Bond Collateral)

I. Commitment Changes – Credit Enhancement

C&D, the existing source for all Cash and MBS commitment activities, will be enhanced to include BCE’s previously performed outside the Multifamily C&D system. The changes are summarized below.



- A. A new execution type 'Credit Enhancement' has been added and is displayed on all applicable screens in C&D.
- B. Two new Credit Enhancement Commitment Types have been added to the 'Add Commitment' dropdown on the Commitment screen:
 - Credit Enhancement (which takes the user to a Credit Enhancement Commitment screen)
 - Credit Enhancement Forward (which takes the user to a Credit Enhancement Forward Commitment screen)
- C. Five (5) new fields have been added to the Commitment screens to support BCE's. Credit Enhancement and Credit Enhancement Forward Commitment screens:
 - Credit Enhancement Payment Type (Direct Pay / Standby)
 - Credit Enhancement Type (Credit Enhancement Instrument / Closed Indenture)
 - Credit Enhancement Fee Rate (%)
 - Credit Enhancement Liquidity Fee Rate (%)
 - Credit Enhancement Principal Reserve Fund Fee Rate (%)

One (1) new field has been added to the Credit Enhancement Commitment Forward screen:

- Is Fannie Mae Providing Credit Enhancement During Construction?

II. Delivery Changes – Credit Enhancement

A. Bonds (New Tab)

The Bond tab displays a list of the bonds associated with the transaction, including the Bond ID, Execution Type, Bond Original Balance (\$), Bond Maturity Date, Associated Type and the Bond Last Updated column. Lastly, this tab allows the user to add and delete bond records and to associate Bonds to loans

B. Bond Information (New Screen)

A new Bond screen has been added in C&D which captures detailed bond data for Credit Enhancement Instruments (Closed Indentures). The Bond screen includes the data fields that were previously provided for all Closed Indentures submitted through MCODES, including the Bond Issuer, Bond Trustee and the Bond Remarketing Agent (if applicable).

C. Loan Screen Modifications

Three (3) new Credit Enhancement fees have been added to the Commitment Association section:

- Credit Enhancement Fee Rate (%)
- Credit Enhancement Liquidity Fee Rate (%)
- Credit Enhancement Principal Reserve Fund Fee Rate (%)

The Loan screen has been enhanced to provide an overview of all association(s) applicable to the Deal. The existing summary which provides an overview of the loan / pool relationship will also show the Credit Enhancement loan to Bond relationship, if applicable. C&D will provide the Bond ID(s) and Credit Enhancement execution type for these relationships.



D. Financing Options Modifications

The Financing Options screen has been enhanced to display all transactions, including Cash, MBS, and Credit Enhancement executions, associated with a Deal. Changes made to this existing screen in support of Credit Enhancements include:

- Creation of a new 'Credit Enhancement' execution type and Credit Enhancement ID.
- Addition of the final Bond Maturity date to the display; and
- Re-labeled column headers to include Credit Enhancement information (i.e. Total Credit Enhancement Amount (\$) and Credit Enhancement Effective Date)

A new 'Add Credit Enhancement' button has been added to the screen which takes the user to the new Credit Enhancement screen. In addition, the 'Delete Pool' button has been relabeled to 'Delete'. This button will delete both MBS Pool and BCE transactions.

E. Credit Enhancement (New Screen)

A new Credit Enhancement screen has been added to C&D that enables the user to associate Bond(s) with a Credit Enhancement. C&D displays a summary of bond data, including the Credit Enhancement Type, Payment Type and Fees, that can be used to assist the user in establishing the correct relationships.

The Credit Enhancement screen is also used to submit the transaction to Fannie Mae through the delivery statuses (Created, Submitted, Submitted for Review, Closed, and Credit Enhanced) and serves as a tool to group individual bonds. The 'Print All' functionality is also available from the Credit Enhancement screen.

III. **Credit Enhancement Pipeline (New)**

The Pipeline screens have been enhanced to provide users with an overview of all transactions in their pipeline. In addition to the existing Cash and Pool Pipeline, a new Credit Enhancement Pipeline has been added which provides a list of all Credit Enhancement transactions in the pipeline. Users will be able to search for Credit Enhancement transactions by Deal, Date Ranges, Funding State, Certification Data and Document Status, and various transaction identifiers (Fannie Mae Loan Number, Seller Number, Bond ID, Credit Enhancement ID and Commitment Number).

IV. **Change Request Types**

The Change Request Details screen has been modified to include change types for Bonds and Credit Enhancements. Users are able to submit changes requests to update information on the Bond Information and Credit Enhancement screens once the transaction is submitted.

V. **Additional Modifications for All New Transactions in C&D**

In addition to the new screens and modifications referenced above for BCE's, two new business rules have been added that impacts all new Cash, MBS, and BCE deliveries:

- 1) Edit checks on Note, First Payment, and Last Paid Installment Dates: The note date must be prior to the first payment due date and 2) the note date must be prior to or equal to the last paid installment date.
- 2) The required (+) indicator was removed from the following fields on the Loan screen: UW NCF DSCR IO, UW NCF DSCR at Cap and UW NCF DSCR All In.



- 3) The Cross Default / Cross Collateralized field has been modified to only require additional disclosure when 'One Way Cross Default Only' is selected from the dropdown. As a result of this change lenders can select the cross default/cross collateralize indicator 'Cross Default Only' for supplemental loans without requiring Additional Disclosure. All other cross relationships will require additional disclosure. Please consult Multifamily Additional Disclosure Guidance (Form 4098) for specific information on crossing relationships.
- 4) The edit to disallow special characters in various fields on the Property Collateral, Commitment, Participant, Loan and Bond Information screens has been removed. Please refer to the list below of valid values (including special characters) allowed and fields in which they may be entered.

VI. Associated Documents

[MF Valid Values & Special Characters](#)

Effective Date

C&D 7.0 changes are effective May 21, 2017.

Questions

Please contact the following with any questions:

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