



Multifamily Mortgage Business Lender Letter 19-08

November 4, 2019

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

Highlights

Fannie Mae is announcing a modification to the Loan Agreement for new loans secured by properties in King County, Washington.

In order to maintain stability and liquidity in the housing market and address the heightened risk of a multifamily property located in King County, Washington, being taken by eminent domain, we are announcing the publication of a new modification to the Multifamily Loan and Security Agreement for transactions with properties located in King County. The modification aligns with the benefits of Revised Code of Washington Section 8.26.200, and requires the borrower to pay the Prepayment Premium in the event of a prepayment triggered by a taking of the property if applicable law requires an acquiring agency to reimburse the property owner for any Prepayment Premium due in connection with the taking. We note that the Revised Code of Washington requires such reimbursement to property owners. If no such law exists at the time of a taking, the modification requires the borrower to pay the Prepayment Premium to the extent that amounts are received and available, after payment of the unpaid principal balance of the Mortgage Loan, accrued interest, and any other amounts due and owing under the Loan Documents exclusive of the Prepayment Premium.

MBS Additional Disclosure is required until the MBS Prospectus disclosure is updated accordingly.

Effective Date

The new loan document may be used immediately and must be used for all loans with an application date on or after the date of this Lender Letter.

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.

Associated Document

The new Loan Document is available on the Loan Documents page on multifamily.fanniemae.com.

- Modifications to Multifamily Loan and Security Agreement (King County, WA) (Form 6266)