



# Multifamily Mortgage Business Lender Letter 20-15

September 1, 2020

To: Multifamily Lenders

From: Te-Mika Warner, Associate General Counsel

Subject: Lender Letter 20-15 – Loan Document Update for 30-Day Average SOFR Index

## Highlights

Fannie Mae is updating the Loan Documents for the transition from LIBOR to 30-Day Average SOFR as the Index for ARM Loans.

### Loan Document Updates for 30-Day Average SOFR Index

Fannie Mae is providing new ARM Loan Schedules to the Multifamily Loan and Security Agreement that use an index based on the 30-day compounded historical average of the Secured Overnight Financing Rate (“30-Day Average SOFR”), as published by the Federal Reserve Bank of New York. Effective September 1, 2020, 30-Day Average SOFR may be used as the index for ARM Loan products; after September 30, 2020, 30-Day Average SOFR is the index for ARM Loan products.

We previously announced the retirement of London Interbank Offered Rate (“LIBOR”)-indexed ARM Loans, and that we would transition from the LIBOR index to 30-Day Average SOFR. We also announced that we would design an additional offering to ensure a broad range of financing solutions. New Loan Documents are also published for this additional offering, the ARM 5/5 Loan, a new capped ARM Loan product that uses 30-Day Average SOFR as the index.

To facilitate a smooth transition from LIBOR to 30-Day Average SOFR, LIBOR-indexed ARM Loans, including Structured ARM Loans and Hybrid ARM Loans, that have a confirmed Commitment Date on or before September 30, 2020 are eligible for Delivery to Fannie Mae so long as the Mortgage Loans:

- are purchased on or before December 31, 2020 as Cash Mortgage Loans or MBS Mortgage Loans; and
- for MBS Mortgage Loans, have an Issue Date on or before December 1, 2020.

Fannie Mae will stop purchasing and securitizing LIBOR-indexed ARM Loans as of December 31, 2020 and the associated LIBOR-based Loan Documents will be retired.



## Effective Date

The new Loan Documents must be used for all SOFR-indexed ARM Loans, including all ARM Loans with a confirmed Commitment Date after September 30, 2020.

## Contact Us

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

## Associated Documents

The clean versions of the Loan Documents are available on the Loan Documents page on [multifamily.fanniemae.com](http://multifamily.fanniemae.com).

1. Loan Documentation Requirements (Form 6000) ([blackline](#))
2. Schedule 1 to Multifamily Loan and Security Agreement -- Definitions Schedule (Interest Rate Type -- ARM 5/5 (SOFR)) (Form 6101.ARM 5/5 (SOFR))
3. Schedule 1 to Multifamily Loan and Security Agreement -- Definitions Schedule (Interest Rate Type -- ARM 7/6 (SOFR)) (Form 6101.ARM 7/6 (SOFR)) ([blackline](#))
4. Schedule 1 to Multifamily Loan and Security Agreement -- Definitions Schedule (Interest Rate Type -- ARM 5/5 (SOFR)) (Master Lease) (Form 6101.ARM.ML 5/5 (SOFR))
5. Schedule 1 to Multifamily Loan and Security Agreement -- Definitions Schedule (Interest Rate Type -- ARM 7/6 (SOFR)) (Master Lease) (Form 6101.ARM.ML 7/6 (SOFR)) ([blackline](#))
6. Schedule 1 to Multifamily Loan and Security Agreement -- Definitions Schedule (Interest Rate Type -- ARM 5/5 (SOFR)) (Seniors Housing) (Form 6101.ARM.SRS 5/5 (SOFR))
7. Schedule 1 to Multifamily Loan and Security Agreement - Definitions Schedule (Interest Rate Type - ARM 7/6 (SOFR)) (Seniors Housing) (Form 6101.ARM.SRS 7/6 (SOFR)) ([blackline](#))
8. Schedule 1 to Multifamily Loan and Security Agreement -- Definitions Schedule (Interest Rate Type -- Hybrid ARM (SOFR)) (Form 6101.HYARM (SOFR)) ([blackline](#))
9. Schedule 1 to Multifamily Loan and Security Agreement -- Definitions Schedule (Interest Rate Type -- Structured ARM (SOFR)) (Form 6101.SARM (SOFR)) ([blackline](#))
10. Schedule 1 to Multifamily Loan and Security Agreement -- Definitions Schedule (Interest Rate Type -- Structured ARM (SOFR)) (Master Lease) (Form 6101.SARM.ML (SOFR)) ([blackline](#))
11. Schedule 1 to Multifamily Loan and Security Agreement -- Definitions Schedule (Interest Rate Type -- Structured ARM (SOFR)) (Seniors Housing) (Form 6101.SARM.SRS (SOFR)) ([blackline](#))
12. Schedule 1 to Multifamily Loan and Security Agreement -- Definitions Schedule (Interest Rate Type -- Fixed Rate) (Form 6101.FR) ([blackline](#))
13. Schedule 1 to Multifamily Loan and Security Agreement -- Definitions Schedule (Interest Rate Type Fixed Rate) (Master Lease) (Form 6101.FR.ML) ([blackline](#))
14. Schedule 1 to Multifamily Loan and Security Agreement -- Definitions Schedule (Interest Rate Type -- Fixed Rate) (Seniors Housing) (Form 6101.FR.SRS) ([blackline](#))
15. Schedule 2 to Multifamily Loan and Security Agreement -- Summary of Loan Terms (ARM 5/5 (SOFR)) (Form 6102.ARM 5/5 (SOFR))



16. Schedule 2 to Multifamily Loan and Security Agreement -- Summary of Loan Terms (ARM 7/6 (SOFR)) (Form 6102.ARM 7/6 (SOFR)) ([blackline](#))
17. Schedule 2 to Multifamily Loan and Security Agreement -- Summary of Loan Terms (ARM 5/5 (SOFR)) (Master Lease) (Form 6102.ARM.ML 5/5 (SOFR))
18. Schedule 2 to Multifamily Loan and Security Agreement -- Summary of Loan Terms (ARM 7/6 (SOFR)) (Master Lease) (Form 6102.ARM.ML 7/6 (SOFR)) ([blackline](#))
19. Schedule 2 to Multifamily Loan and Security Agreement -- Summary of Loan Terms (ARM 5/5 (SOFR)) (Seniors Housing) (Form 6102.ARM.SRS 5/5 (SOFR))
20. Schedule 2 to Multifamily Loan and Security Agreement -- Summary of Loan Terms (ARM 7/6 (SOFR)) (Seniors Housing) (Form 6102.ARM.SRS 7/6 (SOFR)) ([blackline](#))
21. Schedule 2 to Multifamily Loan and Security Agreement -- Summary of Loan Terms (Hybrid ARM (SOFR)) (Form 6102.HYARM (SOFR)) ([blackline](#))
22. Schedule 2 to Multifamily Loan and Security Agreement -- Summary of Loan Terms (Structured ARM (SOFR)) (Form 6102.SARM (SOFR)) ([blackline](#))
23. Schedule 2 to Multifamily Loan and Security Agreement -- Summary of Loan Terms (Structured ARM (SOFR)) (Master Lease) (Form 6102.SARM.ML (SOFR)) ([blackline](#))
24. Schedule 2 to Multifamily Loan and Security Agreement -- Summary of Loan Terms (Structured ARM (SOFR)) (Seniors Housing) (Form 6102.SARM.SRS (SOFR)) ([blackline](#))
25. Schedule 2 to Multifamily Loan and Security Agreement -- Summary of Loan Terms (Fixed Rate) (Form 6102.FR) ([blackline](#))
26. Schedule 2 to Multifamily Loan and Security Agreement -- Summary of Loan Terms (Fixed Rate) (Master Lease) (Form 6102.FR.ML) ([blackline](#))
27. Schedule 2 to Multifamily Loan and Security Agreement -- Summary of Loan Terms (Fixed Rate) (Seniors Housing) (Form 6102.FR.SRS) ([blackline](#))
28. Modifications to Multifamily Loan and Security Agreement -- Schedule 2 Addenda -- Summary of Loan Terms (New York Gap Note Modifications) (Interest Rate Type -- ARM (SOFR)) (Form 6102.19 ARM (SOFR)) ([blackline](#))
29. Modifications to Multifamily Loan and Security Agreement -- Schedule 2 Addenda -- Summary of Loan Terms (New York Gap Note Modifications) (Interest Rate Type -- Hybrid ARM (SOFR)) (Form 6102.19 HYARM (SOFR)) ([blackline](#))
30. Modifications to Multifamily Loan and Security Agreement -- Schedule 2 Addenda -- Summary of Loan Terms (New York Gap Note Modifications) (Interest Rate Type -- Structured ARM (SOFR)) (Form 6102.19 SARM (SOFR)) ([blackline](#))
31. Schedule 3 to Multifamily Loan and Security Agreement -- Schedule of Interest Rate Type Provisions (ARM 5/5 (SOFR)), Fixed Rate Conversion Option, and Renewal Option (Form 6103.ARM 5/5 (SOFR))
32. Schedule 3 to Multifamily Loan and Security Agreement -- Schedule of Interest Rate Type Provisions (ARM 7/6 (SOFR)) and Fixed Rate Conversion Option (Form 6103.ARM 7/6 (SOFR)) ([blackline](#))
33. Schedule 3 to Multifamily Loan and Security Agreement -- Schedule of Interest Rate Type Provisions (Hybrid ARM (SOFR)) (Form 6103.HYARM (SOFR)) ([blackline](#))
34. Schedule 3 to Multifamily Loan and Security Agreement -- Schedule of Interest Rate Type Provisions (Structured ARM (SOFR)) and Fixed Rate Conversion Option (Form 6103.SARM (SOFR)) ([blackline](#))
35. Schedule 4 to Multifamily Loan and Security Agreement (Prepayment Premium Schedule - Graduated Prepayment Premium - SARM) (Form 6104.10) ([blackline](#))



36. Amendment to Mortgage Loan and Security Agreement (Conversion to Fixed Rate) [FOR USE WITH 6000 SERIES LOAN DOCUMENTS] [Replaces 6453] (Form 6614) ([blackline](#))