



Multifamily Mortgage Business Lender Letter 24-02

April 3, 2024

To: Multifamily Lenders

From: Deborah Arnold, Senior Director & Deputy
General Counsel

Subject: Lender Letter 24-02 – Loan Document Update

HIGHLIGHTS

Fannie Mae is announcing updates to the Loan Documents which may be used immediately and must be used for all Mortgage Loans with a confirmed Commitment Date on or after May 2, 2024.

New Documents

- We created 6442.CER, 6442.CER.TIC, 6442.FTC, and 6442.FTC.TIC to replace 6442 and 6442.TIC which are being retired.
- 6442.CER is to be used if a 3-year cap followed by a 2-year subsequent cap is approved by Fannie Mae. Borrower is required to deposit into an escrow account with lender an amount equal to one hundred ten percent (110%) of the amount required for the acquisition of a subsequent interest rate cap. At the end of each six (6) month period following the date of the agreement, lender will estimate one hundred ten percent (110%) of the cost of the subsequent interest rate cap. The agreement provides a mechanism for when the estimate is more or less than one hundred ten percent (110%) of the then current estimate of a subsequent interest rate cap.
- 6442.CER.TIC is to be used when there is a co-tenant structure, and the Fannie Mae deal team has approved a single co-tenant as the cap purchaser (rather than requiring that all co-tenants purchase the cap).
- 6442.FTC is to be used with interest rate caps with a term equal to or longer than the term of the mortgage loan, so no escrow is required. The notional amount of the interest rate cap must be equal to the original principal balance of the mortgage loan for the entire term of the interest rate cap.
- 6442.FTC.TIC is to be used when there is a co-tenant structure, and the Fannie Mae deal team has approved a single co-tenant as the cap purchaser (rather than requiring that all co-tenants purchase the cap).

Revised Loan Document

- We revised 6443 to clarify that it covers all of borrower's right, title and interest in and to any subsequent interest rate cap agreements with the counterparty to any subsequent interest rate cap agreement in addition to the current interest rate cap documents with the initial counterparty.

Effective Date

The Loan Documents may be used immediately and must be used for all Mortgage Loans with a confirmed Commitment Date on or after May 2, 2024.

Contact Us

If you have questions regarding this Lender Letter or the Loan Documents, please contact your Deal Team, or Deborah Arnold at deborah_arnold@fanniemae.com.



EXHIBIT A: MULTIFAMILY MORTGAGE BUSINESS 6000 SERIES FORM LOAN DOCUMENTS

The Loan Documents are available on the [Multifamily Loan Documents](#) page on FannieMae.com. Please refer to the marked copies for complete details. The new documents listed below are marked to show changes from 6442 or 6442.TIC, as applicable, both of which will be replaced by the new documents.

REVISED Documents:

Loan Document Requirements:

6000	Loan Documentation Requirements	marked copy
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Delivery Requirements:

6502.Folders I and III	Multifamily Mortgage Loan Delivery Package Table of Contents (Folders I and III)	marked copy
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Miscellaneous Documents:

6443	Schedule A to UCC Financing Statement (Interest Rate Cap)	marked copy
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NEW Documents:

Miscellaneous Documents:

6442.CER	Interest Rate Cap Reserve and Security Agreement (Cap Escrow Required)	marked copy
6442.CER.TIC	Interest Rate Cap Reserve and Security Agreement (Cap Escrow Required) (Co-Tenants – Single Cap Purchaser)	marked copy
6442.FTC	Interest Rate Cap Reserve and Security Agreement (Full Term Cap)	marked copy
6442.FTC.TIC	Interest Rate Cap Reserve and Security Agreement (Full Term Cap) (Co-Tenants – Single Cap Purchaser)	marked copy