



Multifamily Mortgage Business Lender Letter 24-07

November 14, 2024

To: Multifamily Lenders

From: Deborah Arnold, Senior Director & Deputy
General Counsel

Subject: Lender Letter 24-07 – Loan Document Update

HIGHLIGHTS

Fannie Mae is announcing updates to the Loan Documents which may be used immediately and must be used for: (i) all Mortgage Loans (other than forward conversions), with a confirmed Commitment Date on or after December 12, 2024, and (ii) forward conversions occurring on or after December 12, 2024, provided that such use is consistent with the Forward Commitment Letter.

New Loan Document

- We created 6442.BCE which is substantially the same form as 6442 which was retired in May 2024. The form has been revised to provide that it is to be used with bond credit enhancement loans.

Revised Loan Documents

- At the request of Asset Management, we modified the address in six documents to make them consistent.
- We revised 6020.PIR to remove references to Sponsor-Initiated Affordability restrictions since the requirement to use the form for SIA has been removed.
- We modified 6271.SDW to clarify that Borrower will deliver to Lender a completed and executed certification in the form of 6620.Supplemental.SDW on or before the Sponsor-Dedicated Workforce Housing Commencement Date (12 months after the Effective Date) and on an annual basis thereafter on or before the anniversary of the Sponsor-Dedicated Workforce Housing Commencement Date.
- In 6325:
 - We added a definition of AMI and clarified the definition of Rent Restriction to include the percentage of the AMI Rent Restriction.
 - We added to the covenant regarding the monthly Total Rent paid for a Restricted Unit that in the event the AMI decreases after the date of occupancy, in no event will Tenant be required to pay increased rent based on such decrease, or will Borrower be required to charge a lower Total Rent than that of the corresponding highest AMI level determined effective within the Loan Term.
 - We clarified that compliance with the Sponsor-Dedicated Workforce Housing Restrictions will be determined by Lender on or before the Sponsor-Dedicated Workforce Housing Commencement Date and on an annual basis thereafter on or before the anniversary of the Sponsor-Dedicated Workforce Housing Commencement Date.

- In 6490
 - We added a new prong to the definition of Eligible Tenant to include a Tenant whose aggregate income, at the time of any Annual Recertification or lease renewal (whichever is later), is not greater than one hundred forty percent (140%) of the higher of (i) the Income Restriction in effect as of the initial occupancy and (ii) the Income Restriction then in effect at the time of the Annual Recertification or lease renewal.
 - We added a definition of In-Place Tenant.
 - We added to the rent restriction provision that in the event the AMI decreases after the date of occupancy, in no event will Tenant be required to pay increased rent based on such decrease, or will Borrower be required to charge a lower Total Rent than that of the corresponding highest AMI level determined effective within the Loan Term.
 - We included an additional condition that if Borrower is unable to satisfy the Set-Aside Requirement on or before the first anniversary date of the agreement because an In-Place Tenant refuses to provide Borrower with a Tenant Income Certification Questionnaire or because an In-Place Tenant's income is greater than one hundred forty percent (140%) of the Income Restriction, then Borrower must rent the next available non-Income Restricted Unit of comparable size at the Mortgaged Property to another Tenant that meets the Income Restriction, which unit will become an Income Restricted Unit.
- We modified 6620.Supplemental.SDW to clarify that the attachments to the certificate will be provided on the Sponsor-Dedicated Workforce Housing Commencement Date and on each anniversary of the Sponsor-Dedicated Workforce Housing Commencement Date, as applicable.

Effective Date

Fannie Mae is announcing updates to the Loan Documents which may be used immediately and must be used for: (i) all Mortgage Loans (other than forward conversions), with a confirmed Commitment Date on or after December 12, 2024, and (ii) forward conversions occurring on or after December 12, 2024, provided that such use is consistent with the Forward Commitment Letter.

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. 6442.BCE is marked to show changes from the last published version of 6442.

REVISED Documents:

Loan Document Requirements:

6000	Loan Documentation Requirements	marked copy
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Delivery Requirements:

6502.Folder.I.and.Folder.III	Multifamily Mortgage Loan Delivery Package Table of Contents Folder I and Folder III	marked copy
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Core Loan Documents:

6020.PIR	Payment Guaranty (Pricing Incentive Recapture)	marked copy
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Loan Document Modifications:

6271.SDW	Modifications to Multifamily Loan and Security Agreement (Sponsor-Dedicated Workforce Housing)	marked copy
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Security Instrument Modifications:

6325	Modifications to Security Instrument (Sponsor-Dedicated Workforce Housing)	marked copy
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Other Loan Documents:

6414	Subordination Agreement (Conventional)	marked copy
6442.BCE	Interest Rate Cap Reserve and Security Agreement (Bond Credit Enhancement)	marked copy
6456	Subordination Agreement (Affordable)	marked copy
6490	Sponsor-Initiated Affordability Agreement	marked copy

Asset Management:

6620.Supplemental.SDW	Supplemental Annual Loan Agreement Certification (Sponsor-Dedicated Workforce Housing)	marked copy
6627	Assumption and Release Agreement (Full Property and Loan Assumption)	marked copy
6628	Assumption and Release Agreement (Key Principal Transfer)	marked copy
6636	Assignment of Management Agreement	marked copy
6641	Additional P&I Escrow Agreement	marked copy