



Fannie Mae®

Multifamily Selling and Servicing Guide

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801.04 Rate Lock

→ Guidance

For Credit Enhancement Mortgage Loans, the interest rate is determined at Bond pricing.

At Bond pricing, the Bond Issuer and Bond underwriter or direct purchaser execute a Bond Purchase Agreement, setting the terms for the Bond underwriter or direct purchaser to purchase the Bonds on the issue date.

✦ Operating Procedures

Timing	Activity
At Bond pricing	<p>Bond underwriter provides you the Bond interest rate, equaling:</p> <ul style="list-style-type: none">• the Gross Note Rate on the<ul style="list-style-type: none">- Multifamily Bond Note, for a Credit Enhancement Instrument, or- Note, for an MBS for Bonds;• minus the sum of:<ul style="list-style-type: none">- the applicable Credit Enhancement Fee or Guaranty Fee;- Servicing Fee;- any applicable PRF fee; and- for a Credit Enhancement Instrument, the Bond Issuer fee.



Timing	Activity
Before Bond Purchase Agreement is executed	<p>You must:</p> <ul style="list-style-type: none">• review the Bond underwriters pricing information;• confirm, for any 12-month period, the actual maximum annual debt service on the Bond debt service schedule is less than or equal to the underwritten maximum annual debt service;• create a monthly payment schedule to be attached to the Note that, for each 12-month period, aggregates the exact amount of the Bond payments (plus any fees); and• for an MBS for Bonds:<ul style="list-style-type: none">- confirm the Bond terms match the Credit Enhancement Mortgage Loan pass-through payments; and- if the actual maximum annual debt service is greater than the underwritten maximum annual debt service, then<ul style="list-style-type: none">▪ reduce the actual Credit Enhancement Mortgage Loan amount (and corresponding Bond principal amount), and▪ the Borrower must identify a new financing source, acceptable to all parties, for the amount of the reduction in the Credit Enhancement Mortgage Loan amount.
After Bond Purchase Agreement is executed	<p>For a Credit Enhancement Instrument, you must receive the Credit Enhancement Commitment Letter executed by Fannie Mae and submit a fully executed copy via DUS Gateway.</p>



Glossary

B

Bonds Tax-exempt or taxable multifamily revenue bonds, or other tax-exempt or taxable bonds, issued to finance 1 or more Credit Enhancement Mortgage Loan Properties.

Synonyms

- Bond

Borrower Person who is the obligor per the Note.

Synonyms

- Borrowers
- Borrower's

C

Commitment Contractual agreement between you and Fannie Mae where Fannie Mae agrees to buy a Mortgage Loan at a future date in exchange for an MBS, or at a specific price for a Cash Mortgage Loan, and you agree to Deliver that Mortgage Loan.

Synonyms

- Committed
- Commitments

Credit Enhancement Fee Fee due to Fannie Mae for a Credit Enhancement Instrument.



Credit Enhancement Instrument

Agreement between Fannie Mae and a Bond Trustee where Fannie Mae provides credit enhancement of a Credit Enhancement Mortgage Loan, Bonds issued to finance a Credit Enhancement Mortgage Loan, or an Interest Rate Hedge Agreement; and if applicable, a Bond liquidity facility.

Synonyms

- Credit Enhancement Instruments

Credit Enhancement Mortgage Loan

Mortgage Loan financed by a Bond issuance where Fannie Mae provides credit enhancement by

- a Credit Enhancement Instrument, or
- an MBS for Bonds.

Synonyms

- Credit Enhancement Mortgage Loans

D

DUS Gateway

Multifamily pre-acquisition system, or any successor systems, recording deal registration, Pre-Review and/or waiver tracking, Mortgage Loan Commitments, and decision records.

G

Gross Note Rate

Interest rate stated in the Loan Documents.

Guaranty Fee

Fee retained by Fannie Mae for credit enhancing a Mortgage Loan or assuming credit risk on a Mortgage Loan, and which may be expressed as a percentage.

Synonyms

- Guaranty Fees

I



Issuer

Entity that:

- issues Bonds for a Credit Enhancement Mortgage Loan;
- packages mortgages for sale as a Security for an MBS; or
- issues a Letter of Credit.

Synonyms

- Issuers

M

MBS for Bonds

Fannie Mae MBS:

- issued to credit enhance tax-exempt Bonds; or
- exchanged for Bonds redeemed at MBS issuance.

Synonyms

- MBS Exchange
- MTEB
- MTEM

N

Note

Instrument evidencing a Mortgage Loan obligation, including

- [Form 6010 series](#),
- any other Fannie Mae-approved note, and
- all applicable ☐
 - addenda,
 - schedules, and
 - exhibits.

Synonyms

- Notes

P



PRF

Account you hold accumulating principal amortization payments for variable rate Bond credit enhancements.

Synonyms

- Principal Reserve Fund

S

Servicing Fee

Fee a Servicer receives for collecting payments, managing operational procedures, and assuming your portion of credit risk for a Mortgage Loan, and which may be expressed as a percentage.

Synonyms

- Servicing Fees