



Multifamily Selling and Servicing Guide

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305.03B Rate Lock Extensions

1. For Multifamily Trading Desk Trades (MBS or cash): To extend the Settlement Date for any Mortgage Loan with an initial Rate Lock Period of 90 days or less, the Lender must notify the Multifamily Trading Desk. Upon the agreement of the Lender to pay the Rate Lock Extension Fee, the Settlement Date will be changed to a date that (a) has been agreed to by the parties, and (b) is not more than 30 days after the original Settlement Date. The Lender must contact the Multifamily Trading Desk for approval of any Rate Lock extension, with any approval being subject to such additional fees as may be required, for:

- any Mortgage Loan with an initial Rate Lock Period of more than 90 days;
- an extension in excess of 30 days for any Mortgage Loan; or
- an extension for an additional period after the initial 30 day extension permitted above.

If any Rate Lock extension would cause the total Rate Lock Period to exceed 90 days, Fannie Mae reserves the right to increase the Minimum Good Faith Deposit. If any Rate Lock extension would cause the total Rate Lock Period to exceed 180 days, the Lender must also contact the Fannie Mae Deal Team for approval before seeking the extension (e.g., no extension is permitted for a Mortgage Loan with an initial Rate Lock Period in excess of 150 days without the approval of the Fannie Mae Deal Team).

2. For Lender-Arranged Sales: The Lender may negotiate an extension of the Settlement Date with the Third Party MBS Investor. Such extension may not exceed 30 days following the original Settlement Date and may not cause the total Rate Lock Period to exceed 180 days (e.g., no extension is permitted for a Mortgage Loan with an initial Rate Lock Period in excess of 150 days without the approval of the Fannie Mae Deal Team). Any approved extension request (a) may require adjustment to the locked interest rate, as determined by the Third Party MBS Investor; and (b) may require Lender to pay any fees charged by the Third Party MBS Investor.

The “Rate Lock Extension Fee,” for the purpose of this section, means a fee equal to:

(a) for a Multifamily Trading Desk trade (MBS or cash), an amount equal to 0.375% of the Rate Lock amount which amount may, at the discretion of Fannie Mae, be taken as a reduction in the purchase price of the Mortgage Loan; and

(b) for a Lender-Arranged Sale, any fee charged by the Third Party MBS Investor.



Glossary

F

Fannie Mae Deal Team Team responsible for reviewing Pre-Review Mortgage Loans, waivers, etc.

Synonyms

- Deal Team

L

Lender Person approved by Fannie Mae to sell or service Mortgage Loans.

Synonyms

- Lenders
- Lender's

Lender-Arranged Sale MBS sold to the Lender and held on its balance sheet or delivered to a Third Party MBS Investor.

Synonyms

- Lender-Arranged Sales

M

MBS Mortgage-Backed Security

Minimum Good Faith Deposit Amount you are required to collect when originating a Mortgage Loan per [Part IV A, Chapter 3: Committing, Section 304: Good Faith Deposits](#).

Mortgage Loan Mortgage debt obligation evidenced, or when made will be evidenced, by the Loan Documents or a mortgage debt obligation with a Fannie Mae credit enhancement.

Synonyms

- Mortgage Loans



Multifamily Trading Desk

Team that quotes interest rate pricing for a Mortgage Loan and can be contacted at (888) 889-1118.

R

Rate Lock

Agreement between the Lender and the Investor containing the terms of the Lender-Arranged Sale or Multifamily Trading Desk trade of the Mortgage Loan and the MBS terms and conditions relating to the underlying MBS, if applicable, which may be documented via a recorded telephone conversation.

Synonyms

- Rate Locks

Rate Lock Period

Time from Rate Lock execution through the Settlement Date.

T

Third Party MBS Investor

MBS Investor for an MBS Mortgage Loan that is not the Multifamily Trading Desk.