



# Multifamily Selling and Servicing Guide

Effective as of August 1, 2019

No portion of this Multifamily Selling and Servicing Guide may be reproduced in any form or by any means without Fannie Mae's prior written permission, except as may be provided herein or unless otherwise permitted by law. Limited permission to reproduce this Multifamily Selling and Servicing Guide in print, in whole or in part, and limited permission to distribute electronically parts of this Multifamily Selling and Servicing Guide, are granted to Fannie Mae-approved Lenders strictly for their own use in originating and selling multifamily Mortgage Loans to, and servicing multifamily Mortgage Loans for, Fannie Mae. Fannie Mae may revoke this limited permission by sending 60 days advance written notice to any or all Fannie Mae-approved Lenders.



## TABLE OF CONTENTS

---

Part IV B Section 306.05A MBS Mortgage Loans .....	3
GLOSSARY .....	5



## **306.05A** MBS Mortgage Loans

### **1. Data Submission**

For each MBS Mortgage Loan in a Structured Transaction, the Lender must create an MBS Pool in MSFMS no later than 7 Business Days prior to (and not including) the Book-Entry Date of the MBS. Once the MBS Pool is created, the Lender will receive in MSFMS the Fannie Mae Pool Number and the CUSIP number that uniquely identifies the MBS Pool for book-entry purposes.

After the MBS Pool is created, the Lender must complete the necessary fields on the “pool” and the “loan” pages in MSFMS, including the appropriate Plan Number in the case of an ARM Loan. Prior to submitting MBS Pool data, the Lender must address all MSFMS system business rules by “validating” the data which will identify any “errors” or discrepancies between the entered data and the allowable terms. The Lender must submit the MBS Pool data necessary for securitization, via MSFMS, no later than 5:00 p.m. Eastern Time at least 5 Business Days prior to (and not including) the Book-Entry Date.

For MBS Mortgage Loans, the Lender must comply with the provisions of [Part IV A, Chapter 4: Delivery Procedures – Data, Section 401: General](#), regarding the first scheduled monthly payment date of the Mortgage Loan.

### **2. Correcting Data Submissions**

If the Lender believes that a discrepancy or “error” message generated by MSFMS is related to a waiver that Fannie Mae has approved or if the Lender believes the data to be correct, instead of changing the system status to “submitted,” the Lender must change the system status to “submit for review,” and provide an explanation of the issue. Multifamily Structured Acquisitions will review the submission, and either override the “error,” or return the MBS data submission to the Lender for correction. If returned to the Lender for correction, the Lender must revise the MBS data accordingly and then change the system status to “submitted.”

After the status of the MBS data in MSFMS is “submitted,” if the Lender has made an error or otherwise believes that the submitted data is incorrect, the Lender must submit a request to revise the data in MSFMS via e-mail to Multifamily Structured Acquisitions with the following subject line: “Deal Name - MSFMS Data Change Request.”

### **3. Wiring and Delivery Instructions; Purchase**

On the Book-Entry Date, Fannie Mae will issue and deliver the MBS electronically through the Federal Reserve book-entry system in accordance with the wiring instructions provided by the Lender in MSFMS. The wiring instructions cannot be changed in MSFMS after the MBS has



been submitted for securitization, so the Lender's MSFMS submission must include complete and accurate wiring instructions for the Security as well as the correct amount to be wired.

Fannie Mae's purchase of MBS Mortgage Loans originated in connection with Structured Transactions will be governed by the provisions of [Part IV A, Chapter 6: Purchase Procedures](#), except that the funding path and timing for MBS Mortgage Loans are as described in Funding Path (Part IV B, Section 306.05.A.4).

#### **4. Funding Path**

The Lender may submit wiring instructions in MSFMS for delivery of the MBS via the Federal Reserve book-entry system either to the Lender's own account or to the account of the Lender's designee. In a separate transaction (not via MSFMS), the Lender or the Lender's designee will then deliver the MBS to the MBS Investor, also via the Federal Reserve book-entry system. The Federal Reserve will simultaneously credit the MBS Investor's account with the MBS, debit the MBS Investor's account for cash, and credit the MBS proceeds to the Lender.

The Lender may also opt to submit wiring instructions for delivery of the MBS directly to the MBS Investor's account. In such event, upon receipt of the MBS, the MBS Investor will wire payment to the Lender in accordance with previously agreed terms.

If the transaction is a trade with the Multifamily Trading Desk, Fannie Mae will match the MBS to the trade and will wire the funds directly to the Lender in accordance with previously agreed terms. The MBS will be assigned directly to Fannie Mae on the Book-Entry Date. To arrange for this type of settlement, the Lender must select "CSTD" from the "Special Delivery Instructions" dropdown on the "MBS Pool" page in MSFMS at the time the MBS Pool is delivered.



# Glossary

## B

**Book-Entry Date** Calendar date a Security is delivered by Fannie Mae via the Federal Reserve book-entry system to the applicable Investor’s designated book-entry account at a depository institution.

**Synonyms**

- Book-Entry Delivery Date
- Settlement Date

## C

**CUSIP** Committee on Uniform Securities Identification Procedures 9-digit security identification number required for the book-entry system and assigned by Fannie Mae to identify the MBS Pool.

## D

**Delivery** Meeting all of the data delivery requirements in [Part IV A, Chapter 4: Delivery Procedures – Data](#), and submitting an acceptable Mortgage Loan Delivery Package per [Part IV A, Chapter 5: Delivery Procedures – Documents](#). A Mortgage Loan is “Delivered,” when all documents, data, and information are correct, accurate, and able to be certified by Fannie Mae, with all required documents properly completed, executed, and recorded (if applicable), and any deficiencies are resolved to Fannie Mae’s satisfaction.

**Synonyms**

- Deliver
- Delivered
- Deliveries

## F



Fannie Mae Pool  
Number

Number assigned by Fannie Mae identifying an MBS  
Pool.

## L

Lender

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

### **Synonyms**

- Lenders
- Lender's

## M

MBS

Mortgage-Backed Security

MBS Investor

For MBS Mortgage Loans, either a Third Party MBS  
Investor for Lender-Arranged Sales, or the Multifamily  
Trading Desk.

MBS Mortgage Loan

Mortgage Loan purchased by Fannie Mae in exchange  
for an issued MBS backed by the Mortgage Loan.

### **Synonyms**

- MBS Mortgage Loans

MBS Pool

MBS Security backed by MBS Mortgage Loans.

### **Synonyms**

- MBS Pools

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



**MSFMS** Multifamily Structured Facilities Management System performing collateral delivery and securitization functions for Structured Transactions.

**Multifamily Structured Acquisitions** Team that can be contacted at [mf\\_spot@fanniemae.com](mailto:mf_spot@fanniemae.com).

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

## **P**

**Plan Number** Number identifying the applicable loan characteristics for any Mortgage Loan that accrues interest at a variable rate at any time during the loan term.

## **S**

**Security** MBS, PFP MBS, or REMIC.