



Fannie Mae®

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# Multifamily Selling and Servicing Guide

Effective as of February 12, 2025

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## 606.01 Process

### Operating Procedures

When adding, releasing, or substituting collateral:

- do not create a new transaction in MSFMS (the activity will occur under the original MSFMS Deal ID); and
- comply with the Structured Transaction Approval timing requirements.

Features and Activities		
Activity	You must...	Process
<b>Collateral Addition:</b> adding new collateral to an existing Structured Transaction	Submit a request to the Fannie Mae Deal Team.	<b>Step 1:</b> Fannie Mae Deal Team will <ul style="list-style-type: none"><li>• determine if the Property addition complies with the Structured Transaction Loan Documents, and</li><li>• send you a response.</li></ul> <b>Step 2:</b> If you receive a Structured Transaction Approval, you must <ul style="list-style-type: none"><li>• comply with <a href="#">Part IV, Chapter 6: Structured Transactions, Section 604: Delivery</a>, and</li><li>• pay any applicable fees per the Structured Transaction Loan Documents or the Structured Transaction Approval.</li></ul>



Features and Activities		
Activity	You must...	Process
<b>Collateral Release:</b> releasing collateral from an existing Structured Transaction	Submit a request to Multifamily Structured Asset Management per <a href="#">Part V, Chapter 4: Asset Management: Loan Document Administration, Section 416: Credit Facilities and Bulk Deliveries.</a>	<p><b>Step 1:</b> Multifamily Structured Asset Management will</p> <ul style="list-style-type: none"> <li>determine if the Property release complies with the Structured Transaction Loan Documents, and</li> <li>send you a response.</li> </ul> <p><b>Step 2:</b> If you receive a Structured Transaction Approval, you must:</p> <ul style="list-style-type: none"> <li>change the MSFMS collateral status to "release requested";</li> <li>pay any applicable fees per the Structured Transaction Loan Documents or the Structured Transaction Approval within 1 Business Day after closing and releasing the collateral; and</li> <li>notify Multifamily Structured Asset Management and Multifamily Structured Acquisitions if you need to change the release date.</li> </ul>



Features and Activities		
Activity	You must...	Process
<p><b>Collateral Substitution:</b> adding and releasing collateral in an existing Structured Transaction</p>	<p>Submit a request to Multifamily Structured Asset Management per <a href="#">Part V, Chapter 4: Asset Management: Loan Document Administration</a>, <a href="#">Section 416: Credit Facilities and Bulk Deliveries</a>.</p>	<p><b>Step 1:</b> Fannie Mae Deal Team will</p> <ul style="list-style-type: none"> <li>determine if the Property substitution complies with the Structured Transaction Loan Documents, and</li> <li>send you a response.</li> </ul> <p><b>Step 2:</b> If you receive a Structured Transaction Approval, you must comply with both the Collateral Addition and Collateral Release processes in this table.</p> <p><b>Step 3:</b> If Fannie Mae permits a delayed substitution per the Structured Transaction Loan Documents, you must:</p> <ul style="list-style-type: none"> <li>Provide acceptable substitute collateral (such as cash, a Letter of Credit, or other permitted replacement collateral per the Structured Transaction Loan Documents).</li> <li>Add the substitute collateral within 90 days or other approved timeframe per the Structured Transaction Approval or the Structured Transaction Loan Documents.</li> </ul>
<p><b>Conversion to Fixed Rate:</b> converting an ARM Mortgage Loan to a fixed rate Mortgage Loan</p>	<p>Submit a request to Multifamily Structured Asset Management.</p>	<p>If Fannie Mae approves the conversion, you must comply with <a href="#">Part IV, Chapter 7: Variable Rate Conversions and Renewals</a>.</p>



Features and Activities		
Activity	You must...	Process
<b>Borrow-Up:</b> funding additional loan proceeds without adding collateral	Submit a request to Multifamily Structured Asset Management per Part V, Chapter 4: Asset Management: Loan Document Administration, Section 416: Credit Facilities and Bulk Deliveries.	If Fannie Mae approves the borrow-up, you must <ul style="list-style-type: none"> <li>• comply with Part IV, Chapter 6: Structured Transactions, Section 604: Delivery, and</li> <li>• pay any applicable fees.</li> </ul>



## Glossary

### C

**Collateral** Property, Personal Property, or other property securing a Mortgage Loan.

### D

**Delivery** Submission of all correct, accurate, and certifiable documents, data, and information with all applicable documents properly completed, executed, and recorded as needed, and any deficiencies resolved to Fannie Mae's satisfaction.

#### **Synonyms**

- Deliver
- Delivered
- Deliveries

### F

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

#### **Synonyms**

- Deal Team

### L

**Letter of Credit** Letter of Credit approved by Fannie Mae per [Part I, Chapter 2: Mortgage Loan, Section 204: Letters of Credit](#).

#### **Synonyms**

- Letters of Credit
- Letter of Credit's
- LOC
- LOCs

### M



Mortgage Loan	<p>Mortgage debt obligation evidenced, or when made will be evidenced, by</p> <ul style="list-style-type: none"><li>• the Loan Documents, or</li><li>• a mortgage debt obligation with a Fannie Mae credit enhancement.</li></ul> <p><b>Synonyms</b></p> <ul style="list-style-type: none"><li>• Mortgage Loans</li><li>• Mortgage Loan's</li></ul>
MSFMS	<p>Multifamily Structured Facilities Management System performing collateral delivery and securitization functions for Structured Transactions.</p>
MSFMS Deal ID	<p>Number assigned by MSFMS when registering a Structured Transaction.</p>
Multifamily Structured Acquisitions	<p>Team that can be contacted at <a href="mailto:mf_spot@fanniemae.com">mf_spot@fanniemae.com</a>.</p>
Multifamily Structured Asset Management	<p>Team that can be contacted at <a href="mailto:structured_am@fanniemae.com">structured_am@fanniemae.com</a>.</p>
<b>P</b>	
Property	<p>Multifamily residential real estate securing the Mortgage Loan, including the</p> <ul style="list-style-type: none"><li>• fee simple or Leasehold interest,</li><li>• Improvements, and</li><li>• personal property (per the Uniform Commercial Code).</li></ul> <p><b>Synonyms</b></p> <ul style="list-style-type: none"><li>• Properties</li><li>• Property's</li></ul>
<b>S</b>	
Structured Transaction Approval	<p>Fannie Mae approval of a Structured Transaction outlining the terms, conditions, pricing, and fees.</p>





Structured Transaction  
Loan Documents

Documents executed for a Structured Transaction, including a Master Credit Facility or Bulk Delivery Agreement, an Interest Rate Hedge Agreement, and all other required Loan Documents.