



Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of June 7, 2024

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703.03 Conversion Activities

Operating Procedures

You must coordinate with Fannie Mae to ensure the following conversion activities occur.

You must...	Fannie Mae will...
<ul style="list-style-type: none">• Issue a new fixed rate MBS Pool after completing the conversion process.• Deliver the converted fixed rate Mortgage Loan to Fannie Mae under the new confirmed Commitment.• Ensure the MBS trade has a Book-Entry Date no later than:<ul style="list-style-type: none">- the 17th day of the month of the Conversion Effective Date for an MBS ARM Loan or SARM Loan; or- the 10th day of the month of the Conversion Effective Date for a Cash ARM Loan or SARM Loan.• Deposit the funds from the MBS trade into your applicable P&I Custodial Account.	<ul style="list-style-type: none">• Issue the new fixed rate MBS.• For a variable rate Cash Mortgage Loan, place it into the MBS trade assignment account.• Transfer the MBS to the MBS Investor per your instruction on either the 10th or the 17th day of the month (as applicable) of the Conversion Effective Date.



Glossary

B

Book-Entry Date 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

Cash Mortgage Loan Mortgage Loan purchased by Fannie Mae in exchange for cash.

Synonyms

- Cash Mortgage Loans

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

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 Pool

MBS Security backed by MBS Mortgage Loans.

Synonyms

- MBS Pools
- MBS Pool's

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
- Mortgage Loan's

P

P&I Custodial Account

Custodial Account for principal and interest deposits.

Synonyms

- P&I Custodial Accounts