Fannie Mae®

Multifamily Selling and Servicing Guide

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703.04 Pay Off

Requirements

You must confirm, report, and remit funds to pay off the MBS ARM Loan or SARM Loan.

Operating Procedures

1. Request MBS payoff amount verification by submitting your calculation in the Fannie Mae Payoff Calculator per Part V, Chapter 2: Reporting and Remitting, Section 210: Full Prepayments.
2. Send the payoff amount to Fannie Mae per the standard monthly remittance process in Part V, Chapter 2: Reporting and Remitting.
3. For an MBS ARM Loan or SARM Loan,
   - report a $0 balance for the MBS on the 1st or 2nd day of the month in which the Conversion Effective Date occurs, and
   - Fannie Mae will draft the funds due to the MBS Investor.

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Glossary

A

Adjustable Rate Mortgage Loan	Mortgage Loan with an interest rate that periodically adjusts based on an Index per the Note or Loan Documents. **Synonyms** • ARM Loan • Adjustable Rate Mortgage Loans • ARM Loans

G

Guide	Multifamily Selling and Servicing Guide controlling all Lender and Servicer requirements unless a Lender Contract specifies otherwise. **Synonyms** • DUS Guide

I

Investor	MBS Investor for an MBS Mortgage Loan, or Fannie Mae for a Cash Mortgage Loan. **Synonyms** • Investors • Investor'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.

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