



Fannie Mae®

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# Multifamily Selling and Servicing Guide

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## 1806.01 Terms

### Requirements

Terms	Credit Enhancement Instrument	MBS for Bonds
Interest Rate Reset	<ul style="list-style-type: none"><li>Used if the Bonds<ul style="list-style-type: none"><li>have a fixed rate for a specified period before maturity, and</li><li>require remarketing on scheduled mandatory tender dates.</li></ul></li><li>Occurs after the fixed rate period per the Bond and Loan Documents.</li></ul>	Not available.
Loan Term	<p>Credit Enhancement Mortgage Loan must:</p> <ul style="list-style-type: none"><li>for a Property with new 4% LIHTCs, have a term of at least 10 years, with a maximum of 30 years; or</li><li>for a Property without new 4% LIHTCs, have a term less than or equal to the Bond term, with a maximum of 30 years.</li></ul>	
Fannie Mae Fees	Credit Enhancement Fee	Guaranty Fee
Trustee Fee and Bond Issuer Fee	Underwritten as <ul style="list-style-type: none"><li>an operating expense, or</li><li>part of the Gross Note Rate.</li></ul>	Underwritten as an operating expense.



Terms	Credit Enhancement Instrument	MBS for Bonds
Gross Note Rate	<p>Sum of the</p> <ul style="list-style-type: none"><li>• Bond interest rate,</li><li>• Facility Fee (calculated per <a href="#">Part III, Chapter 18: Bond Transactions and Credit Enhancement Mortgage Loans, Section 1808: Facility Fee</a>)</li></ul> <p>divided by the Bond UPB, and</p> <ul style="list-style-type: none"><li>• trustee fee and Bond Issuer fee, if they are not underwritten as an operating expense.</li></ul>	<p>Sum of the</p> <ul style="list-style-type: none"><li>• Bond interest rate,</li><li>• Guaranty Fee, and</li><li>• Servicing Fee.</li></ul>



# Glossary

## B

### Bonds

Tax-exempt or taxable multifamily revenue bonds, or other tax-exempt or taxable bonds, issued to finance 1 or more Credit Enhancement Mortgage Loan Properties.

#### **Synonyms**

- Bond

## C

### Credit Enhancement Fee

Fee due to Fannie Mae for a Credit Enhancement Instrument.

### Credit Enhancement Instrument

Agreement between Fannie Mae and a Bond Trustee where Fannie Mae provides credit enhancement of a Credit Enhancement Mortgage Loan, Bonds issued to finance a Credit Enhancement Mortgage Loan, or an Interest Rate Hedge Agreement; and if applicable, a Bond liquidity facility.

#### **Synonyms**

- Credit Enhancement Instruments

### Credit Enhancement Mortgage Loan

Mortgage Loan financed by a Bond issuance where Fannie Mae provides credit enhancement by

- a Credit Enhancement Instrument, or
- an MBS for Bonds.

#### **Synonyms**

- Credit Enhancement Mortgage Loans

## G

### Gross Note Rate

Interest rate stated in the Loan Documents.



## G

**Guaranty Fee** Fee retained by Fannie Mae for credit enhancing a Mortgage Loan or assuming credit risk on a Mortgage Loan, and which may be expressed as a percentage.

**Synonyms**

- Guaranty Fees

## I

### Issuer

Entity that:

- issues Bonds for a Credit Enhancement Mortgage Loan;
- packages mortgages for sale as a Security for an MBS; or
- issues a Letter of Credit.

**Synonyms**

- Issuers

## L

### Loan Documents

All Fannie Mae-approved documents evidencing, securing, or guaranteeing the Mortgage Loan.

**Synonyms**

- Loan Document
- Mortgage Loan Document
- Mortgage Loan Documents

## M

### MBS for Bonds

Fannie Mae MBS:

- issued to credit enhance tax-exempt Bonds; or
- exchanged for Bonds redeemed at MBS issuance.

**Synonyms**

- MBS Exchange
- MTEB
- MTEM

## P



**P**roperty      Multifamily residential real estate securing the Mortgage Loan, including the  
• fee simple or Leasehold interest,  
• Improvements, and  
• personal property (per the Uniform Commercial Code).

**Synonyms**

- Properties
- Property's

**S**

**Servicing Fee**      Fee a Servicer receives for collecting payments, managing operational procedures, and assuming your portion of credit risk for a Mortgage Loan, and which may be expressed as a percentage.

**Synonyms**

- Servicing Fees

**U**

**UPB**      Unpaid Principal Balance

**Synonyms**

- UPBs