



Fannie Mae®

---

# Multifamily Selling and Servicing Guide

Effective as of February 2, 2026

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 III Section 1807.01 Terms .....	3
GLOSSARY .....	6



## 1807.01 Terms

### ➡ Guidance

Fannie Mae does not provide liquidity support for variable rate demand Bonds.

### ✓ Requirements

Terms	Credit Enhancement Instrument	MBS for Bonds
Variable Interest Rate	A Bond and Credit Enhancement Mortgage Loan must have an interest rate linked to <ul style="list-style-type: none"><li>• the SIFMA Municipal Swap Index,</li><li>• an Index that adjusts weekly, or</li><li>• a SOFR-based index.</li></ul>	<ul style="list-style-type: none"><li>• Mortgage Loan must comply with Part III, Chapter 11: Structured Adjustable Rate Mortgage (SARM) Loans.</li><li>• Bonds must have an interest rate linked to a SOFR-based index.</li></ul>
Bond Liquidity	You must obtain Fannie Mae's approval for any third party providing Bond liquidity support.	
No New 4% LIHTCs	Credit Enhancement Mortgage Loan must have a term of at least 5 years, with a maximum of 30 years.	Credit Enhancement Mortgage Loan must have a: <ul style="list-style-type: none"><li>• term of at least 5 years, with a maximum of 30 years; and</li><li>• Maturity Date coinciding with the<ul style="list-style-type: none"><li>- final Bond maturity date, adjusted for applicable payment timing differences, or</li><li>- initial Bond tender and remarketing, if the Bond has a scheduled mandatory tender date for remarketing.</li></ul></li></ul>



Terms	Credit Enhancement Instrument	MBS for Bonds
New 4% LIHTCs	Credit Enhancement Mortgage Loan must have a term of at least 10 years, with a maximum of 30 years.	Credit Enhancement Mortgage Loan must have a: <ul style="list-style-type: none"><li>• term of at least 10 years, with a maximum of 30 years; and</li><li>• Maturity Date coinciding with the<ul style="list-style-type: none"><li>- final Bond maturity date, adjusted for applicable payment timing differences, or</li><li>- initial Bond tender and remarketing, if the Bond has a scheduled mandatory tender date for remarketing.</li></ul></li></ul>
Maximum NoteRate	Determined by Fannie Mae.	Per Part III, Chapter 11: Structured Adjustable Rate Mortgage (SARM) Loans.
Amortization	For a variable rate Credit Enhancement Mortgage Loan using an Interest Rate Cap, use the greater of the <ul style="list-style-type: none"><li>• Maximum Note Rate, or</li><li>• actual Cap Strike Rate.</li></ul>	Per Part III, Chapter 11: Structured Adjustable Rate Mortgage (SARM) Loans.
Maximum SARM Loan	Per Part III, Chapter 11: Structured Adjustable Rate Mortgage (SARM) Loans.	
PRF	You must establish a PRF.	Not applicable.
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 Part III, Chapter 18: Bond Transactions and Credit Enhancement Mortgage Loans, Section 1808: Facility Fee) divided by the Bond UPB,</li><li>• trustee fee and Bond Issuer fee, if they are not underwritten as an operating expense, and</li><li>• cap cost factor.</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

### Cap Strike Rate

Index interest rate specified in the Interest Rate Cap Agreement at or above which a payment obligation will be triggered by the Interest Rate Cap provider.

### 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.

**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

**Index** Basis for determining the Gross Note Rate of an ARM Loan, including any required alternative index that may be determined necessary by Fannie Mae because the Index is no longer widely accepted or has been replaced as the index for similar financial instruments.

**Interest Rate Cap** Interest rate agreement between the Borrower and a provider for which the Borrower receives payments at the end of each period when the interest rate exceeds the Cap Strike Rate. The Interest Rate Cap provides a ceiling (or cap) on the Borrower's Mortgage Loan interest payments.

**Synonyms**

- Interest Rate Caps
- Interest Rate Hedge
- Interest Rate Hedges
- Interest Rate Swap
- Interest Rate Cap's

**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



## M

**Maturity Date** Date all Mortgage Loan amounts become fully due and payable per the Loan Documents.

**Synonyms**

- Maturity Dates

**Maximum Note Rate** Equals the sum of the:

- minimum Cap Strike Rate as set by Fannie Mae; and
- Mortgage Loan margin equal to the sum of the
  - Investor spread,
  - Guaranty Fee, and
  - Servicing Fee.

**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

**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



## PRF

Account you hold accumulating principal amortization payments for variable rate Bond credit enhancements.

### **Synonyms**

- Principal Reserve Fund

## 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

### SIFMA Municipal Swap Index

The Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index.

## U

### UPB

Unpaid Principal Balance

### **Synonyms**

- UPBs