



Fannie Mae®

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# Multifamily Selling and Servicing Guide

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## 801.04 Rate Lock

### ➔ Guidance

For Credit Enhancement Mortgage Loans, the interest rate is determined at Bond pricing.

At Bond pricing, the Bond Issuer and Bond underwriter or direct purchaser execute a Bond Purchase Agreement, setting the terms for the Bond underwriter or direct purchaser to purchase the Bonds on the issue date.

### ✦ Operating Procedures

Timing	Activity
At Bond pricing	<p>Bond underwriter provides you the Bond interest rate, equaling:</p> <ul style="list-style-type: none"><li>• the Gross Note Rate on the<ul style="list-style-type: none"><li>- Multifamily Bond Note, for a Credit Enhancement Instrument, or</li><li>- Note, for an MBS for Bonds;</li></ul></li><li>• minus the sum of:<ul style="list-style-type: none"><li>- the applicable Credit Enhancement Fee or Guaranty Fee;</li><li>- Servicing Fee;</li><li>- any applicable PRF fee; and</li><li>- for a Credit Enhancement Instrument, the Bond Issuer fee.</li></ul></li></ul>



Timing	Activity
<p>Before Bond Purchase Agreement is executed</p>	<p>You must:</p> <ul style="list-style-type: none"> <li>• review the Bond underwriters pricing information;</li> <li>• confirm, for any 12-month period, the actual maximum annual debt service on the Bond debt service schedule is less than or equal to the underwritten maximum annual debt service;</li> <li>• create a monthly payment schedule to be attached to the Note that, for each 12-month period, aggregates the exact amount of the Bond payments (plus any fees); and</li> <li>• for an MBS for Bonds: <ul style="list-style-type: none"> <li>- confirm the Bond terms match the Credit Enhancement Mortgage Loan pass-through payments; and</li> <li>- if the actual maximum annual debt service is greater than the underwritten maximum annual debt service, then <ul style="list-style-type: none"> <li>▪ reduce the actual Credit Enhancement Mortgage Loan amount (and corresponding Bond principal amount), and</li> <li>▪ the Borrower must identify a new financing source, acceptable to all parties, for the amount of the reduction in the Credit Enhancement Mortgage Loan amount.</li> </ul> </li> </ul> </li> </ul>
<p>After Bond Purchase Agreement is executed</p>	<p>For a Credit Enhancement Instrument, you must receive the Credit Enhancement Commitment Letter executed by Fannie Mae and submit a fully executed copy via DUS Gateway.</p>



# 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

**Borrower** Person who is the obligor per the Note.

### **Synonyms**

- Borrowers
- Borrower's

## C

**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

**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

## **D**

### DUS Gateway

Multifamily pre-acquisition system, or any successor systems, recording deal registration, Pre-Review and/or waiver tracking, Mortgage Loan Commitments, and decision records.

## **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**



## 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

### 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

## N

### Note

Instrument evidencing a Mortgage Loan obligation, including

- [Form 6010 series](#),
- any other Fannie Mae-approved note, and
- all applicable
  - addenda,
  - schedules, and
  - exhibits.

### **Synonyms**

- Notes

## 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