



Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of December 31, 2021

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 V Section 104.01 Borrower Obligations	3
104.01A Payments	3
104.01B Principal Reserve Fund	4
GLOSSARY	5



104.01 Borrower Obligations

104.01A Payments

Operating Procedures

Collect all of the following from the Borrower:

- reimbursement of all amounts Fannie Mae paid or is due per any:
 - Credit Enhancement Instrument or MBS for Bonds;
 - Loan Documents or Reimbursement Agreement;
 - Bond Collateral Agreement; and
 - Interest Rate Cap Agreement or other interest rate hedge;
- any Facility Fee and/or Activity Fee for an unreimbursed Liquidity Advance per the Reimbursement Agreement;
- all amounts required to replenish the PRF;
- any Prepayment Premium or other Termination Fee;
- any other fees, expenses, or additional costs due per any
 - Credit Enhancement Instrument or MBS for Bonds,
 - Security Instrument,
 - Reimbursement Agreement, or
 - other Loan Document; and
- any other amounts due Fannie Mae or the Bond Trustee.

Steps	Activity...
Calculate the Amount Due	After receiving the information to calculate the amount due, you must <ul style="list-style-type: none">• immediately invoice the Borrower, and• remit the funds to the appropriate parties per the Reimbursement Agreement or Loan Documents.



Steps	Activity...
Advance Funds Notification	Fannie Mae will notify you of the amount disbursed on or after each disbursement date for any: <ul style="list-style-type: none">• Credit Enhancement Instrument or MBS for Bonds;• Loan Document; or• other Bond Collateral Agreement.
Payment Timing	You must remit all Borrower payments per the Loan Documents or Fannie Maes instructions. If you do not pay Fannie Mae or the Bond Trustee until the next Business Day, you must <ul style="list-style-type: none">• invest the funds overnight, and• remit all investment earnings to Fannie Mae or the Bond Trustee with the payment. For Borrower payments received after 4:00 p.m. Eastern Time, you must use your best efforts to invest the funds.

104.01B Principal Reserve Fund

Requirements

You must ensure no PRF withdrawal occurs without Fannie Mae's approval.

Operating Procedures

For each Credit Enhancement Mortgage Loan, you must:

- Review the Bond Trustee's reported PRF balance.
- Collect from the Borrower any amount withdrawn from the PRF, including withdrawals reimbursing Fannie Mae for amounts it paid per the
 - Credit Enhancement Instrument or MBS for Bonds, or
 - Loan Documents.



Glossary

B

Bond Trustee

Trustee for a Credit Enhancement Instrument.

Synonyms

- Bond Trustee's

Borrower

Person who is the obligor per the Note.

Synonyms

- Borrowers
- Borrower's

Business Day

Any day other than a

- Saturday,
- Sunday,
- day when Fannie Mae is closed,
- day when the Federal Reserve Bank of New York is closed, or
- for any MBS and required remittance withdrawal, a day when the Federal Reserve Bank is closed in the district where any of the MBS funds are held.

Synonyms

- Business Days

C

Collateral Agreement

Agreement under which collateral (other than the Property) may be pledged, transferred, or otherwise provided to secure the Borrower's obligations under a Mortgage Loan.

Synonyms

- Collateral Agreements



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

I

Interest Rate Cap Agreement

Contract setting forth the terms and conditions of an Interest Rate Cap, Hedge, or Swap.

Synonyms

- Interest Rate Hedge Agreement
- Interest Rate Swap Agreement

L

Loan Documents

All documents evidencing, securing, or guaranteeing the debt obligation executed for a Mortgage Loan and approved by Fannie Mae.

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

Prepayment Premium

For a Mortgage Loan prepayment, amount the Borrower must pay in addition to the prepaid principal and accrued interest per the Loan Documents.

Synonyms

- Prepayment Premiums

PRF

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

Synonyms

- Principal Reserve Fund

S

Security Instrument

Instrument creating a lien or encumbrance on 1 or more Properties and securing the obligations under the Loan Documents.

Synonyms

- Security Instruments